

# DISASTER! PRACTICES AND PROCEDURES FOR CHARITIES PROVIDING RELIEF AFTER 9/11: A CASE STUDY

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Charities that provide disaster aid or emergency hardship relief suddenly found themselves, along with the rest of the country, in a new world. As both donors and organizations struggled to deal with a changed reality, Congress and IRS responded with attempts to eliminate impediments and ease administrative burdens. For the most part, the new rules are not limited to the consequences of the 9/11 attacks, and tax professionals must be able to provide useful guidance to community organizations in time of need.

Providing aid to the victims of disasters, whether caused by natural forces or human acts, is a traditional charitable activity. The events of September 11, 2001, led to an unprecedented surge of charitable giving and caused the IRS to rethink some of its long-held positions on disaster relief. In March 2002, the IRS released *Disaster Relief: Providing assistance through charitable organizations* on its website.<sup>1</sup> This publication, part of a planned series of "plain English" IRS publications, not only restates familiar rules for disaster aid but also explains some important post-9/11 changes in the Service's interpretation of the laws governing charities.<sup>2</sup> Among the most significant of those changes are:

- The IRS had stated in its 1999 continuing professional education (CPE) text<sup>3</sup> that company-sponsored private foundations could not provide disaster relief to employees of the sponsoring company, as such relief was presumed to be disguised compensation. In response to a congressional directive, *Disaster Relief* reverses that presumption where the company foundation follows prescribed procedures.
- The IRS also stated in its 1999 CPE text that employer-sponsored public charities could provide disaster and emergency relief to employees of the sponsoring company, if the charity met a very detailed list of requirements. *Disaster Relief* presumes that disaster

and emergency aid to employees of the sponsoring company is charitable where the public charity follows prescribed procedures similar to those for private foundations.

- *Disaster Relief* clarifies that charities may provide disaster aid to businesses under three circumstances: (1) the aid is for financially needy or distressed individual business owners, (2) the aid combats community deterioration, or (3) the aid helps lessen the burdens of government.

*Disaster Relief* does not only address natural or civil disasters but makes clear that its principles apply to "emergency hardships" in general, including illness, death, accidents, violent crime, or other personal tragedies.<sup>4</sup>

## GENERAL PRINCIPLES OF DISASTER RELIEF

An understanding of the legal framework for charities that provide disaster aid or emergency hardship relief is helpful in putting the Service's new approach to practical use.

**Open-ended charitable class.** Charities must be organized and operated for charitable purposes, and may not engage in significant non-exempt activities.<sup>5</sup> Providing aid to victims of disasters is an exempt activity. Nevertheless, the class of beneficiaries must be large enough or indefinite enough to satisfy the IRS that the charity's activities benefit the community, not just

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the specific persons receiving the aid. A charity that focuses its aid on one family is operated for private benefit,<sup>6</sup> but a charity that defines its charitable class more broadly may begin by focusing on specific individuals within that class who are in immediate need.

**No insider benefit.** Charities providing relief may not serve the private interests of founders, managers, or contributors, and funds may not be earmarked to aid specific individuals. Even when there is an indefinite or open-ended class of beneficiaries, an organization that is formed to benefit specific individuals does not have a charitable purpose and will not qualify for tax exemption under Section 501(c)(3). For example, an organization formed by family members of an accident victim, ostensibly to help an open-ended class of accident victims, will not qualify as charitable if in fact it directs its support toward easing that particular family's economic burden.<sup>7</sup>

**Distressed or needy.** Reg. 1.501(c)(3)-1(d)(2) defines charitable activities to include "[r]elief of the poor and distressed or of the underprivileged." A literal interpretation of this language would require aid recipients to be both financially needy *and* distressed. The IRS, however, has consistently permitted aid on the basis of *either* financial need *or* distress. *Disaster Relief* confirms that "[i]ndividuals who are fi-

nancially needy *or otherwise distressed* are appropriate recipients of charity."<sup>8</sup>

**Documentation of need or distress.** Charities must use objective standards to determine who is distressed or in need, and must document the basis on which they select individuals for aid. The documentation will vary with the circumstances and the type of aid in question. For example, a search-and-rescue team digs earthquake victims out of collapsed buildings regardless of the victims' financial resources, but the charities that provide interim housing must take those resources into account in determining how to allocate available charitable dollars.

### CASE STUDY: THE OURTOWN FLOOD

Against this background, we turn to an imaginary disaster: a flood in the fictional city of Ourtown, USA.

Ourtown, the largest town in its state, is a regional high-tech center located on the banks of the Pleasant River. Most of its residents, and many of those in the surrounding region, depend economically in one way or another on the various local technology firms, most of which are located in industrial parks in low-lying areas of Ourtown near the river. Development in these areas became possible only after a dam was constructed upstream some years ago.

When the dam failed during a heavy storm, the river flooded the industrial parks and much of Ourtown's business district as well as adjacent residential areas. Two thousand people were killed and tens of thousands lost their homes, their jobs, or both. Transportation in and around Ourtown was disrupted, not only by water but by potentially toxic mud and sludge on the roads and train tracks and by the cracked and buckled runways in Ourtown's airport. Because of the widespread devastation, the President declared Ourtown and the surrounding region to be a national disaster area.

Seagull Technologies, one of Ourtown's largest employers, lost one of its five buildings and, worse, ten of its employees in the flood. Many other Seagull employees lost their homes completely, while the homes of still more

employees were severely damaged by water and mud. Phil, the founder and CEO of Seagull, would like to help his employees through this rough time of homelessness and joblessness, and to make counseling and financial aid available to the surviving family members of those Seagull employees who died in the flood. He also wants to help the community generally by providing emergency services, food, shelter, and the like to anyone who is in need. Several of Phil's peers at other firms, plus many of the Seagull employees who escaped harm, share this desire to help.

In addition to the personal resources of these potential donors, the Seagull Technologies Foundation—a private foundation created some years ago as the philanthropic arm of Seagull Technologies—has substantial charitable assets. The Ourtown Community Foundation, the local Red Cross and Salvation Army chapters, and local civic and religious groups are working to mobilize donors and volunteers. Phil and the other potential donors are not sure of the best way to help.

### Reviewing the Options

The threshold question is whether to help directly or through a charitable organization.

Much charitable giving, especially in times of urgent need, takes place "off the books"—that is, without visible tax consequences. If Phil throws all available blankets and warm coats in the back of his Cadillac, drives to the flood shelter, and hands the goods to the first shivering people he sees, he has provided disaster relief in a very real sense, but there are no tax consequences either to him or to the people who are now wrapped in warmer clothing. If Phil had given the coats and blankets to a charity, however, he could have claimed an income tax charitable deduction under Section 170 for the value of the donated items. Where donations of money or appreciated property are involved, the tax incentives are significant enough to drive most such gifts to charities rather than directly to the disaster victims.

The picture becomes more complicated where the donor is, or is closely related to, the recipient's employer. Under

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<sup>1</sup> This publication, cited here as *Disaster Relief*, can be located online at [www.irs.gov](http://www.irs.gov). The Service released an earlier version of this publication on its website in October 2001.

<sup>2</sup> "Charities" refers to organizations that are tax-exempt under Section 501(c)(3).

<sup>3</sup> Huetter and Friedlander, "Disaster Relief and Emergency Hardship Programs," *Exempt Organizations Continuing Professional Education Technical Instruction Program for fiscal year 1999* (the "1999 CPE text"), page 219.

<sup>4</sup> *Disaster Relief*, page 1.

<sup>5</sup> See Reg. 1.503(c)(3)-1 for a full discussion of the organizational and operational tests.

<sup>6</sup> See, e.g., Wendy L. Parker Rehabilitation Foundation, Inc., TCM 1986-348.

<sup>7</sup> *Id.* (family members made significant contributions, and planned to use 30% of the organization's funds to ease the family's economic burden).

<sup>8</sup> *Disaster Relief*, page 3 (emphasis added).

Section 102(c), any payment from an employer to an employee is presumed to be compensation. The Supreme Court shares this view, holding that companies do not make gifts to employees out of disinterested generosity.<sup>9</sup>

If a payment to an individual is neither compensation nor a loan, then it is considered to be a gift, which is nondeductible for income tax purposes and subject to gift tax reporting rules and possibly gift tax. Gifts to charities, on the other hand, are deductible for both income tax purposes and gift tax purposes, under Sections 170(b) and 2522.

Our imaginary donors, therefore, have decided to give to charitable organizations. The question then becomes which charity to use.

**Disaster relief donors may choose from many charitable vehicles.** The traditional response to a disaster, and by far the simplest from the donor's point of view, is to donate to an existing charity with experience in disaster relief, such as the Red Cross. The donor relinquishes control over the donated funds, but since the charity already has its infrastructure in place, its skilled staff and volunteers can start immediately to provide relief. Some donors, however, are concerned about whether large organizations will in fact use their gifts for the specific disaster that prompted them to give.<sup>10</sup>

Donors also may work with their local community foundation by making a substantial initial gift to a donor-advised fund and then recommending distributions from time to time as the dimension of the disaster, and its long-term consequences, becomes more clear. This approach builds in a continuing role for the donor and takes advantage of the community foundation's knowledge of local needs and resources.

Giving to existing charities is not the only option. Donors may want to consider forming a new charity or operating a charitable-purpose project under the fiscal sponsorship of an existing charity.

Finally, as *Disaster Relief* makes clear, an employer-related private foundation—commonly known as a company foundation—may provide direct disaster aid to employees of the

related company, as long as it follows proper procedures to ensure that there is no private benefit.

Our imaginary donors like the idea of forming a new charity or project. Phil is also interested in the possibility of using his company's foundation to assist employees in need. We turn now to each of these charitable vehicles.

### Forming a New Charitable Organization

The donors may decide to form a new relief organization, obtain an employer identification number, and file a tax exemption application (Form 1023) to qualify as a Section 501(c)(3) charitable organization. This status not only relieves the new entity from paying income taxes but, more important, it allows those who support the new entity to claim a charitable deduction on their income tax returns.

The application and review process typically takes several months. While the IRS determination is retroactive to the date of formation if the charity submitted a substantially complete application within 15 months (or, in some cases, within 27 months) of the formation date,<sup>11</sup> many donors are reluctant to make sizable gifts unless the charity already has its determination letter in hand. Recognizing this, the IRS offered an expedited approval process to 9/11 relief organizations, under which more than 200 charities have obtained tax-exempt status.<sup>12</sup> Some have expressed concern, however, that charities unrelated to 9/11's events have taken inappropriate advantage of this expedited review.<sup>13</sup> Since our imaginary flood is wholly unrelated to the events of 9/11, no automatic expedited handling will be available. Instead, the founders should request expedited handling in a cover letter accompanying the application, explaining the circumstances that justify special treatment.

Depending on the donors' plans, a separately incorporated tax-exempt entity might be a good choice. Donors who value autonomy and direct involvement are likely to prefer this option. Our imaginary donors cannot earmark funds for Seagull employees or other specific disaster victims, but they can define the new charity's beneficiary

class so as to include those people within the larger class. On the other hand, creating and managing a new charitable organization involves expense, administrative responsibilities, and attention to legal compliance obligations, as well as program responsibilities that are likely to be complex and challenging. If the new charity will be a private foundation rather than a public charity, the legal compliance issues take on an additional dimension of complexity.

To qualify as a public charity, an organization must come within one of three categories specified in Section 509(a):

1. A church, school, hospital, or other organization determined by Congress to be inherently public in nature.

2. An organization that derives financial support from enough different sources to satisfy one of several alternative mathematical tests of public support.

3. A charity that is organized and operated solely to support, benefit, and carry out the purposes of one or more other public charities described in Section 509(a)(1) or (2) (a "supporting organization").

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<sup>9</sup> See *Duberstein*, 363 U.S. 278, 5 AFTR2d 1626 (1960). The IRS, in a series of private letter rulings (see, e.g. Ltr. Rul. 199914040) and then in the 1999 CPE text, had taken the position that an employer-related private foundation was the functional equivalent of the employer for this purpose, so that a company foundation that aided disaster-stricken company employees was engaging in self-dealing under Section 4941 and most likely violating the inurement ban of Section 501(c)(3). As noted in the text, above, the IRS has reversed this stand in response to a congressional directive, and *Disaster Relief* reflects the post-9/11 IRS position.

<sup>10</sup> Post-9/11 publicity about how the American Red Cross handled funds it raised for 9/11 relief, then allocated to other programs, has raised both donor and organization awareness of this potential problem.

<sup>11</sup> Reg. 301.9100-2 provides an automatic 12-month extension after the initial 15-month filing period. See the instructions to Form 1023, Part III, page 4.

<sup>12</sup> See IR-2001-82, 9/18/01. Using the IRS expedited procedure, the authors received approval for a 9/11 relief organization by fax four days after the Service received the application.

<sup>13</sup> See Lipman, "IRS Handling of September 11 Charities Shows Weaknesses of Approval System," XIV *Chronicle of Philanthropy*, No. 10 (3/7/02), page 8. See also Stokeld, "Some September 11 Charities May Not Be Helping Victims," 2002 TNT 56-3.

Private foundations, by contrast, are typically supported by one family or business rather than having a broad base of donors. They are subject to more stringent operating regulations than public charities, particularly with regard to transactions with insiders, and their procedures for making grants to individuals require prior IRS approval for that reason.<sup>14</sup> Nevertheless, once the rules are understood, private foundations are excellent charitable and estate planning vehicles for many donors.<sup>15</sup>

In the 1999 CPE text, the IRS imposed certain rules on employer-sponsored public charities wishing to provide disaster relief. Those rules appear to be superseded by *Disaster Relief*, which applies the same standards to public charities and private foundations.<sup>16</sup> Such aid now is presumed charitable, thus not taxable to the recipient if the following conditions are met:

1. The charity benefits a large or indefinite class.
2. Recipients are chosen based on an objective determination of need.
3. Recipients are selected either by an independent selection committee or by other procedures designed to ensure fairness.

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<sup>14</sup> See Sections 4940-4946. For a summary of the private foundation regulatory framework, see Adler, *The Rules of the Road: A Guide to the Law of Charities in the United States* (Council on Foundations, 1999), pages 29-38.

<sup>15</sup> Although gifts and bequests to private foundations are fully deductible for gift and estate tax purposes, donors to private foundations receive lesser income tax advantages than donors to public charities. See Sections 170(b)(1)(A) and (B) and 170(e)(1)(B)(iii).

<sup>16</sup> *Disaster Relief*, page 11.

<sup>17</sup> For a detailed discussion of fiscal sponsorship options, see Colvin, *Fiscal Sponsorship: 6 Ways to Do it Right* (Study Center Press, 1993).

<sup>18</sup> The 1999 CPE text contains a detailed list of requirements for employer-sponsored public charities (pages 239-240). These requirements do not appear to apply to either public charities or private foundations under the new rules. Indeed, it appears that *Disaster Relief* effectively supersedes the 1999 CPE text where the two differ.

<sup>19</sup> See *id.*, pages 234-236.

<sup>20</sup> Joint Committee on Taxation, *Technical Explanation of the "Victims of Terrorism Tax Relief Act of 2001," as Passed by the House and Senate on December 20, 2001* (Jt. Comm. Print, JCX-93-01).

### Fiscal Sponsorship

Some donors find the legal, administrative, and accounting aspects of independence to be burdensome. Others find that the time and money involved in the formation and tax exemption process are unacceptable. For them, fiscal sponsorship may be a much better alternative. The fiscal sponsor may be a local community foundation or other larger charity that is interested in incubating new charities and/or expanding its programs. Under this scenario, Phil and his friends would not form a separate charity but, instead, would operate as a project of the sponsoring public charity under an agreement that spells out the obligations of each party. Donors could support the project through gifts to the sponsor designated for that purpose. The sponsoring charity, for its part, grants those donations to the project under an agreement giving the sponsor enough oversight so that it can ensure that the funds are indeed being spent for charitable purposes. This leaves the founders free to concentrate on providing relief to disaster victims.

Fiscal sponsorship can be a long-term arrangement for projects that do not require independence, or a temporary bridge arrangement lasting only until the new group is ready and able to organize and obtain its own charitable status. Nevertheless, a successful fiscal sponsorship requires a good fit between the goals of the sponsoring charity and goals of the sponsored project, so careful planning is necessary.<sup>17</sup>

### Company Foundations

Before 9/11, the IRS asserted that employer-sponsored relief could be provided only through company-funded public charities, not company private foundations.<sup>18</sup> The IRS reasoned that disaster relief payments to employees from company-funded private foundations were really payments of valuable benefits by the foundation on behalf of the company. Such payments, in the IRS view, not only violated Section 4941's self-dealing ban but also constituted inurement and a substantial non-exempt purpose, thus costing the foundation its tax-exempt status under Section 501(c)(3).<sup>19</sup>

The Council on Foundations and others argued that the IRS was misstating the law and that a company foundation's disaster/emergency aid program, if properly structured, is permitted by Section 501(c)(3) and also by the private foundation statutes. After 9/11, Congress adopted this view. The legislative history of the Victims of Terrorism Tax Relief Act of 2001 (P.L. 107-134, 1/23/02) states:

...due autonomy  
...vement are  
...a separately  
...x-exempt entity.

"If payments in connection with a qualified disaster are made by a private foundation to employees (and their family members) of an employer that controls the foundation, the presumption that the charity acts consistently with the requirements of section 501(c)(3) applies if the class of beneficiaries is large or indefinite and if recipients are selected based on an objective determination of need by an independent committee of the private foundation, a majority of the members of which are persons other than persons who are in a position to exercise substantial influence over the affairs of the controlling employer (determined under principles similar to those in effect under section 4958)."<sup>20</sup>

Furthermore, the report states that the committee intends that payments made under this presumption will not violate private foundation prohibitions under Sections 4941 and 4945 and will be considered to be in furtherance of Section 170(c)(2)(B) purposes.

The Service's position in *Disaster Relief* reflects its response to this congressional prompting. The IRS publication provides that an employer-sponsored private foundation may make relief payments to employees of the sponsor for "qualified disasters," defined as "a disaster that results from certain terroristic or military actions, a Presidentially declared disaster, a disaster that results from an accident involving a common carrier or any other

event that the Secretary of the Treasury determines is catastrophic." The IRS will presume such payments are charitable if there is a large or indefinite charitable class, if recipients are selected based on an objective determination of need, and "selection is made using either an independent selection committee or adequate substitute procedures to ensure that any benefit to the employer is incidental and tenuous."<sup>21</sup>

In our example, Phil's company has an existing private foundation, the Seagull Technologies Foundation, whose Articles of Incorporation state that it is organized for charitable purposes within the meaning of Section 501(c)(3). These purposes are broad enough to encompass providing disaster relief. Under the rules summarized in the new IRS publication, the company foundation can make disaster relief grants to company employees harmed by the disaster, as long as the program satisfies all of the following specific requirements:

1. The class of potential beneficiaries is large or indefinite.
2. The needs of potential beneficiaries are objectively assessed before any aid is disbursed.
3. Beneficiaries are selected by a committee of the foundation whose majority consists of people who are not officers, directors, or other persons of influence at the related company.

Relief payments that meet these three requirements are presumed to satisfy charitable and private foundation requirements and will not result in taxable income to the employees receiving the aid.

After considering the various options and the ability of existing charities to provide what the community needs, our imaginary donors decided to form a new public charity, Ourtown Regional Aid or ORA, to provide emergency and long-term aid to victims of disasters affecting the Ourtown region. Initially, ORA plans to provide money for emergency food, clothing, and shelter for all flood victims. ORA also plans to provide longer-term assistance for financially needy flood victims and their families, such as money for home repairs, education costs,

child care, transportation, and medical assistance, including counseling. In addition, Phil has convinced the board of the Seagull Technologies Foundation to create a disaster/emergency aid program to help employees and their families as permitted by the post-9/11 rules described in *Disaster Relief*.

### DISASTER RELIEF RULES FOR PUBLIC CHARITIES AND PRIVATE FOUNDATIONS

In addition to the limitations described above, the following rules apply across the board to charities that provide disaster or emergency aid, whether they are private foundations or public charities.

**Beneficiary class.** An organization providing disaster or emergency relief

to individuals must serve a sufficiently large or indefinite class of people. The IRS has said that "[i]t is a question of degree whether the class is large enough...." A significant portion of the community is large enough, whereas a "mere handful" of people will not suffice.<sup>22</sup> The Service also has held that an open-ended class, that does not operate to benefit particular individuals, will qualify.<sup>23</sup>

Thus, whether the aid program in-

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<sup>21</sup> *Disaster Relief*, page 9. Public charities are not limited to assisting victims of "qualified disasters," however.

<sup>22</sup> 1999 CPE text, page 224.

<sup>23</sup> See, e.g., Rev. Rul. 56-403, 1956-2 CB 307 (beneficiary class consisting of all undergraduate members of a specified fraternity is an open class as it changes from year to year).

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**9/11 Relief**

**Special statutory rule for 9/11/01 disaster relief.** For victims of 9/11 and subsequent anthrax attacks only, charities may make grants to victims and their families without a review of financial need. A consistently applied reasonable and objective formula can replace the specific assessment of need that otherwise is required. *Disaster Relief* offers the example of a charity that granted \$25,000 per immediate family member to illustrate the application of such a standard. Charities making grants under this rule still must serve a charitable class that is large and/or indefinite and still must properly document their relief activities.

**Income tax relief.** Under new Section 139, "qualified disaster relief payments" from any source may be excluded from the recipient's gross income. Previously, gifts from charities were held to be excludable from income under the general Section 102 exclusion for gifts, but that did not extend to relief received from noncharitable sources. After 9/11, such relief is excludable if it qualifies. "Qualified disaster relief payments" include relief provided to individuals on account of a Presidentially declared disaster, a terrorist or military action, or a state or locally declared disaster. State taxation for employees will depend on whether the state in which the individual pays income tax adopts conforming legislation.

**Employees' aid to fellow employees.** As a result of 9/11, the IRS recently relaxed the constructive receipt rules for employees who trade vacation pay, sick days, or personal leave for a contribution from the employer to charity. Notice 2001-69, 2001-46 IRB 491, provides that an employee making a leave-based donation will not report the amount of foregone pay in his/her gross income, for amounts paid to charities before 2003.

involves a newly formed charity or a new program of an existing charity, the definition of the potential beneficiary class should be drafted as inclusively as possible. The founders of ORA, for example, stated in the charity's tax exemption application that all residents of the Ourtown region would be potentially eligible for disaster or emergency relief. The application expressly stated that while the initial beneficiaries would be those who had suffered harm in the recent flood, aid would not be limited to those persons. Similarly, the Seagull Technologies Foundation defined the beneficiary class for its disaster aid program to include all past, present, and future employees and retirees of Seagull Technologies, Inc., except for those who are then serving as officers or directors of the company or the foundation.

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<sup>24</sup> See *Disaster Relief*, page 4.

<sup>25</sup> 1999 CPE text, page 227.

<sup>26</sup> Rev. Rul. 56-304, 1956-2 CB 306.

*Disaster Relief* offers additional examples of classes that are sufficiently large or indefinite, as well as others that are too narrow. According to the IRS, a relief organization formed to provide emergency assistance to residents of a particular county on an ongoing basis can provide relief to a small number of residents who suffered injury or damage in a particular storm. An organization or program could not operate to benefit *only* that group of individuals, however, because the class is not large or indefinite enough.<sup>24</sup>

**Eligibility for aid.** A charity must distribute disaster relief or emergency aid based on an objective assessment of the needs of potential recipients. Where an immediate emergency exists, need may be presumed from the circumstances. For example, a drenched and muddy person standing in the ruins of a house is clearly in need of shelter, food, warm clothing,

and possibly medical care and counseling as well.

For longer-term financial aid, however, the charity must consider evidence of financial need. This may involve reviewing a summary of an applicant's assets, obligations, income, and insurance proceeds to determine that recipients do not have resources to meet their own needs.

It is not necessary, however, to obtain evidence of financial need before a charity may provide non-monetary aid. The IRS has stated, for example, that a charity may provide counseling for surviving spouses of disaster victims regardless of financial need.<sup>25</sup>

**Documentation.** In line with longstanding practice, the IRS requires charities to retain documents showing the name and address of each aid recipient, the amount paid to each recipient, the purpose for the aid, the manner of selection, and any relationship between the recipient and any officer, director, or manager of the charity.<sup>26</sup> This rule does not apply, however, in the immediate aftermath of a disaster. The IRS allows relief organizations to provide emergency food, clothing, and shelter immediately following a disaster to those who appear in need, without collecting this level of information.

**CONCLUSION**

The IRS responded to 9/11 with an exceptional effort to clarify the legal framework for disaster relief, to process applications promptly, and to meet community needs. More guidance, however, is needed. For example, for company foundations practitioners do not yet have reliable examples of what the IRS will accept as "adequate substitute procedures to ensure that any benefit to the employer is incidental and tenuous." If employer-related charities attempt in good faith to comply with these new rules but the IRS later determines that they failed to comply, what sanctions will the IRS impose? Although these and other questions remain, *Disaster Relief* provides much useful guidance for the exempt organizations community. ■