

# Disaster Relief: The Role of Nonprofits

01.23.25 | Linda J. Rosenthal, JD



The Internal Revenue Service values and acknowledges the historical role of the charitable sector in disaster relief.

Providing “... aid to relieve human suffering caused by a natural or civil disaster or an emergency hardship is charity in its most basic form.” See Publication 3833 (Rev. 12-2014), Disaster Relief: Providing Assistance Through Charitable Organizations (28 pp. PDF).

The catastrophic wildfires continue in Southern California this week – even today – with new Santa Ana wind systems blowing through San Diego and other areas beyond Los Angeles County. There is a massive outpouring of concern and support from near and far. Many charitable organizations want to know how they can help facilitate donations and other help.

The devastating losses from the current wildfires are piling up in what may become the most expensive natural disaster in U.S. history. And, of course, the next calamity is likely just around the corner.

We’ve written about nonprofits and disaster relief in earlier posts: in 2017 in response to Hurricanes Harvey and Irma, and then in 2022 during COVID-19. But, as we explained in the opening paragraphs of Disaster Relief: New Paradigms (March 1, 2022) FPLG Blog, “we don’t do disaster relief in 2022 the same way we did in 2017, much less how we did it in 2003 when Publication 3833” was first written.

Now, in early 2025, we must review this topic in light of even further developments in the disaster-relief model along with the reality that the world is experiencing “hundred-year” weather events once every few months.

## *The Key Guidance*

IRS Publication 3833, as revised in late 2014, continues to be the seminal guidance from the federal government to charities interested in participating in disaster relief efforts either directly or indirectly. “By using this publication as you begin to plan your relief efforts,” federal officials explained, “you will be able to ensure that your program will assist victims in ways that are consistent with the federal tax rules that apply to charities.”

A 501(c)(3) can design its participation in a variety of ways: through an established and separate disaster charity; in its own newly designed and in-house disaster-aid program or activities; or via a new 501(c)(3) formed for the specific purpose of disaster relief. There are also a wide variety of hybrids and variations popping up regularly. Federal tax officials permit considerable flexibility for 501(c)(3)s in choosing an appropriate way to help out in disaster relief.

But they do *not* encourage a flurry of brand new 501(c)(3) applications. It’s cumbersome, time-consuming, and unnecessary. Established organizations – whether or not they have done disaster aid in the past – are a much better “funnel for aid than a system cobbled together by individuals acting on their own or through new organizations quickly hatched to meet the new and urgent needs. (Nevertheless, the IRS guidance includes instructions about forming a new disaster-relief charity.)

For the 501(c)(3) that does not ordinarily engage in disaster-relief activities but wants to help out within its existing structure and under its own tax-exempt status, the IRS explains that there is no need to get prior approval. However, there are rules and restrictions as well as record-keeping and reporting duties.

This information is spelled out in Pub 3833, as revised in 2014 and still in effect. (In *Disaster Relief: An Intro For 501(c)(3)s And Others* (September 21, 2017) *FPLG Blog*, we discussed some of these points in detail.)

### ***Supplemental Website Information***

To supplement the general information in the 2014 revision to Publication 3833, the Internal Revenue Service has published – and regularly updated – helpful educational material at several points in its website section “Charities.”

Among them are:

- *Disaster relief resources for charities and contributors* [Page Last Reviewed or Updated: 20-Aug-2024] – “In the aftermath of a disaster or in other emergency hardship situations, individuals, employers and corporations often are interested in providing assistance to victims through a charitable organization. The IRS provides a number of resources to help those involved in providing disaster relief through charities.” There are extensive links included.
- *Charitable organizations providing disaster relief — Questions and answers* [Page Last Reviewed or Updated: 28-May-2024] – There are five topic categories, each with multiple hyperlinked Q’s and A’s:
  - “Providing disaster relief through an existing charitable organization”

- “Creating a charitable organization to provide disaster relief”
- “Charitable organizations providing relief to employees of particular employers”
- “Charitable contributions for disaster relief” and
- “Other questions for charities about disaster relief”
- *Disaster relief: standards for charities that provide relief to individuals* [Page Last Reviewed or Updated: 19-Aug-2014] – “...[A]n organization must benefit a charitable class..., and must apply a needs-based test and maintain appropriate documentation.”]

### *Stay Exempt Slideshows*

Before you delve too deeply into Publication 3833 or these website entries, take a quick detour to the IRS’s “Stay Exempt” mini-course website: [stayexempt.irs.gov](http://stayexempt.irs.gov).

Whether you are new to the topic of disaster aid or are here for a brief refresher and update, check out these two helpful cartoon-hosted slideshows:

- *Disaster Relief – Part I*, explains how charitable organizations may provide relief in disaster situations and the special tax rules that apply to such organizations [17:27] See *PDF version*
- *Disaster Relief – Part II*, explains the special rules that apply to employer-sponsored disaster relief organizations, the deductibility of contributions to disaster relief organizations and the tax treatment of distributions to disaster relief victims [13:54] See *PDF version*

For a combined total of about 30 minutes of your time, you’ll get an excellent overview of the subject before diving into the heavier reading. While you’re at it, take a look at some of the other EO mini-courses. They’re quite good.

### *Additional Legal Commentary*

The Los Angeles wildfires have generated an enormous amount of interest and expert commentary on the topic of nonprofits and disaster aid. See, for example:

- *Rising From the Ashes: How Nonprofits and Donors Can Help California Wildfire Recovery Efforts* (January 15, 2025) *Tax-Exempt Organizations Alert*, Patterson, Belknap, Webb & Tyler LLP [“Charitable organizations are well positioned and have a unique opportunity to help those affected by the wildfires. Over the years, the Internal Revenue Service has provided useful guidance on how 501(c)(3) organizations can provide aid during times of disaster....”]
- *How Employers Can Aid Employees Impacted by the Los Angeles Wildfires* (January 16, 2025) Brian J. Tiemann, Esq., & Jennifer D. Hill, Esq., McDermott Will & Emery, [natlawreview.com](http://natlawreview.com) [“In the wake of such devastation, employers may seek opportunities to provide financial assistance to impacted employees. Fortunately, the Internal Revenue Service (IRS) has outlined various ways for employers to provide much-needed assistance to employees impacted by natural disasters like the wildfires, including tax-free qualified disaster relief payments, leave donation programs, and other tax-efficient options.”]

- [CA Wildfire Disaster Relief: A Guide for Nonprofits](#) (January 20, 2025) Kristen Donlevy, CLA Blog, [claconnect.com](http://claconnect.com) ["Nonprofit organizations play a vital role in providing support and resources to those impacted by wildfires. This blog aims to serve as a guide for nonprofits involved in or looking to get involved in California wildfire disaster relief."]

### ***Conclusion***

The role of charities in disaster relief is a topic that will surely not fade from public attention any time soon. We'll follow these developments.

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