



## Assisting Company Employees - the Legal Considerations

	Direct Corporate Assistance	Private Foundation	Public Charity
<b>Scholarships for employees and their dependents</b>	Permitted but not charitable and generally taxable to the employee	Permitted charitable activity* Resources: <ul style="list-style-type: none"> <li>• <a href="#">Establishing A Scholarship Fund</a></li> <li>• <a href="#">Revenue Procedure 76-47</a></li> </ul>	Permitted charitable activity* Resources: <ul style="list-style-type: none"> <li>• <a href="#">Grants to Individuals by Community Foundations**</a></li> <li>• <a href="#">Revenue Procedure 76-47</a></li> </ul>
<b>Qualified Disaster Relief (eg, presidentially declared disaster)</b>	Permitted, not charitable* Resources: <ul style="list-style-type: none"> <li>• <a href="#">Legal FAQs on Disaster Grantmaking</a></li> <li>• <a href="#">IRS Publication 3833</a> - Disaster Relief: Providing Assistance through Charitable Organizations</li> <li>• Presentation 13: Disaster Relief Part II (IRS EO Mini- Course at <a href="http://www.stayexempt.org">www.stayexempt.org</a>)</li> </ul>	Permitted charitable activity* Resources: <ul style="list-style-type: none"> <li>• <a href="#">Legal FAQs on Disaster Grantmaking</a></li> <li>• <a href="#">IRS Publication 3833</a> - Disaster Relief: Providing Assistance through Charitable Organizations</li> <li>• Presentation 13: Disaster Relief Part II (IRS EO Mini- Course at <a href="http://www.stayexempt.org">www.stayexempt.org</a>)</li> </ul>	Permitted charitable activity* Resources: <ul style="list-style-type: none"> <li>• <a href="#">Legal FAQs on Disaster Grantmaking</a></li> <li>• <a href="#">IRS Publication 3833</a> - Disaster Relief: Providing Assistance through Charitable Organizations</li> <li>• Presentation 13: Disaster Relief Part II (IRS EO Mini-Course at <a href="http://www.stayexempt.org">www.stayexempt.org</a>)</li> </ul>
<b>Nonqualified Disaster Relief</b>	Permitted but not charitable and generally taxable to the employee	Not permitted Resource: <ul style="list-style-type: none"> <li>• Presentation 13: Disaster Relief Part II (IRS EO Mini- Course at <a href="http://www.stayexempt.org">www.stayexempt.org</a>)</li> </ul>	Permitted charitable activity* Resource: <ul style="list-style-type: none"> <li>• <a href="#">Legal FAQs on Disaster Grantmaking</a></li> <li>• <input type="checkbox"/> <a href="#">IRS Publication 3833</a> - Disaster Relief: Providing Assistance through Charitable Organizations</li> <li>• Presentation 13: Disaster Relief Part II (IRS EO Mini-Course at <a href="http://www.stayexempt.org">www.stayexempt.org</a>)</li> <li>• <a href="#">Grants to Individuals by Community Foundations**</a></li> </ul>
<b>Hardship Assistance</b>	Permitted but not charitable and generally taxable to the employee	Not permitted <ul style="list-style-type: none"> <li>• Presentation 13: Disaster Relief Part II (IRS EO Mini- Course at <a href="http://www.stayexempt.org">www.stayexempt.org</a>)</li> </ul>	Permitted charitable activity* <ul style="list-style-type: none"> <li>• <a href="#">Grants to Individuals by Community Foundations**</a></li> </ul>

\* Special rules apply. Also, this assistance is generally not taxable income to employees.

\*\* For information regarding this publication, contact [legal@cof.org](mailto:legal@cof.org)

In setting up any of the permitted programs noted in the above chart, a grantmaker will want to work closely with its advisors to ensure adherence to the particular rules required for the grantmaker and particular form of assistance. The reward for diligence in spending the time to establish a program that adheres to the IRS rules is an ongoing program that - particularly in the case of emergency hardship or disasters - can be mobilized quickly to assist employees when they need it most.