Board of Trustees
Oklahoma City Community Foundation
P.O. Box 1146
Oklahoma City, Oklahoma 73101

We have performed a forensic investigation of the Oklahoma City Disaster Relief Fund, Inc. (DRF) for the Board of Trustees of the Oklahoma City Community Foundation. We independently established a proposed scope of work based on Phase 1 of our investigation conducted in December 2012. The OCCF Board of Trustees agreed with our proposed scope.

The scope of our work included the entire history of the DRF. The OCCF Board of Trustees agreed in our engagement agreement to allow us access to all information that we requested and to a thorough and complete investigation.

Our procedures will not necessarily disclose all potential irregularities, but was intended to address numerous questions that have been raised about the operations and financial activities of the Disaster Relief Fund. The Disaster Relief Fund’s management is responsible for the design and implementation of programs and controls to prevent and detect fraud. These procedures do not constitute an audit and, accordingly, we are not expressing an opinion on the DRF’s financial statements or its financial condition.

This report is based on work completed to date. We may supplement this report if we are asked to perform additional procedures by the OCCF Board of Trustees or if additional information should come to our attention.

We understand this report will be used by the OCCF Board of Trustees and they may release this report to the public. This report is the property of BKD, LLP. If any party intends to publish or otherwise reproduce this report and make reference to our firm name, BKD must be provided with the printer’s proofs or masters for our review and approval before printing or other reproduction and provided with a copy of the final reproduced material for our approval before it is distributed.

BKD, LLP

March 20, 2013
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ACKNOWLEDGEMENT

We would like to acknowledge those who were affected by the bombing of the Alfred P. Murrah Federal Building on April 19, 1995. When we undertook this investigation, we did so mindful of the lives lost, their families and the survivors who have endured many difficulties in the years since. We have spoken with many of you and thank you for being respectful of this process. Not one of the survivors or survivor family members was disrespectful towards us as we conducted our inquiries and sought input through our Information Line. Many survivors expressed gratitude for the support provided by the Oklahoma City community and the nation in the immediate aftermath of the bombing and in the years since. We worked dutifully to be objective and considerate of all those involved as we performed our work and developed this report.

BKD, LLP

Respectfully,

BKD, LLP
Oklahoma City Disaster Relief Fund, Inc.
Forensic Investigation Report
March 20, 2013

Report Overview and Summary and Findings

Our firm was hired in December 2012 to perform a forensic investigation of the Oklahoma City Disaster Relief Fund, Inc. (DRF) involving a variety of issues surrounding the administration and distribution of funds donated in response to the terrorist bombing of the Alfred P. Murrah Federal Building on April 19, 1995. The DRF is a supporting organization of the Oklahoma City Community Foundation (OCCF). The results of our investigation are summarized in this report. We hope that our findings will be carefully and thoughtfully considered both in terms of historically what has happened but also in the context of a plan moving forward. Our investigation has resulted in important recommendations which are contained on page 40 of this report.

As a starting point, it is easy to lose sight of the fact that it is the generosity and financial support of thousands of Oklahomans and others around the United States and the world that has only recently created a battleground for arguments and disputes about how the donated money should be handled and ultimately distributed. Many in the Oklahoma City community were responsible for organizing this outpouring of financial support and generosity. This generosity is a testament to the character and compassion of the people who came together and helped when Oklahoma City needed it most. As with any fundraising activity there were certain members of the community who played key leadership roles in collecting these funds and our investigation included interviews with some of these key community leaders.

But despite this outpouring of generosity and financial support, the public discourse regarding these donations has recently deteriorated into an often very ugly public debate about who should now receive the benefit of funds contributed by others many years ago. At the core of the issues we were asked to investigate are questions that involve how money contributed by others should be spent and whether the DRF has been a good steward of the funds. We address these issues head-on in our report.

The controversy over the remaining money can at least partly be attributed to some very public funds created to compensate survivors and families who lost loved ones in other disasters and tragedies. The most notable of these were funds paid out after the terrorist attacks on September 11, 2001. Recently, some have asked the DRF to disburse the remaining funds in a similar manner. We address this issue in our report.

An important question asked by many is how, almost 18 years later, the DRF has almost $10 million remaining. This report looks into the donations received by the DRF, the investment of those funds and how money has been spent.
To help the readers of this report, we have organized our report into several sections to make it easier to constructively evaluate some of the various factors and considerations that went into our analysis.

**Outreach to the Public**

Our investigation has revealed that there is a group in the Oklahoma City community who hold very strong beliefs about how the funds should be distributed and the manner in which the funds have been paid out to date. Accordingly, in developing our investigation protocols, we were very intentional about reaching out to anyone who had information that could be helpful and relevant to our investigation. We requested assistance from the media to help get the word out. Our investigation team set up a phone Information Line which permitted anyone to provide information by leaving a recorded message. We placed no restrictions on who could call or how often they could call; we emphasized that anyone could call and call as often as they wished.

As stated above in our acknowledgement, we appreciate the information that was provided and the respectful manner in which the public responded to our request for information. Not one of the survivors or survivor family members was disrespectful towards us as we conducted our inquiries and sought input through our Information Line.

We have considered and evaluated this information on a daily basis as the investigation progressed. Information regarding these efforts to obtain information from the public is contained on page 6 of our report.

**Cooperation from OCCF**

Prior to taking on this project, we specifically advised the OCCF Board of Trustees that we did not want to take on the investigation unless they were fully committed to permitting our investigators full and complete access to personnel, books, records and documents. We also advised the OCCF Trustees that we did not want to move forward with the investigation unless they were prepared to “let the chips fall where they may” as a result of our investigation.

We can report that we received a high level of cooperation from OCCF personnel and many others in providing information relevant to our investigation. OCCF personnel and case managers appeared to be appropriately sensitive to confidentiality and privacy issues relating to recipients of assistance. These confidentiality considerations did not impair our investigation efforts.

We also had complete and unfettered access to OCCF personnel, files and records. No question we asked of the OCCF went without an answer. No request for information went without a response. Details about information we analyzed as part of our investigation is contained on pages 6 and 7 of our report.

**IRS Issues Relating to Charitable Donations**

One of the key factors in any responsible analysis is a careful consideration of the provisions of the federal tax code. Because the donations that were made were tax deductible, the Internal Revenue Service (IRS) has a number of regulations regarding how those funds ultimately can be used and distributed. This is hardly the most exciting way to begin our analysis, but it is
important because it goes to the core issues of how the contributed funds can be spent; our investigation has revealed that many of the issues surrounding the disbursement of the funds took into consideration the provisions and the constraints of the Internal Revenue Code. We believe a responsible analysis of the options for disbursement and distribution of funds must consider what actions are consistent with the applicable tax code. These issues are discussed at pages 12 through 17 of our report and provide an important context and overlay in the overall investigation.

This analysis includes an important recommendation we make in terms of moving forward in a manner that is consistent with the provisions of the Internal Revenue Code and potentially putting to rest any tax law uncertainty.

**Stewardship of Funds Contributed**

Other issues we have been asked to analyze relate to whether the OCCF has been a good steward of the funds contributed by donors from Oklahoma and around the world. These issues include a detailed review of administrative expenses, managing investment of donor contributions and a variety of other stewardship issues that have been raised in the media. It is very important that these issues be fully understood; a good deal of our investigation focused on these types of stewardship issues. These issues are discussed in various sections of our report.

**Summary of Findings**

- Donations to the DRF totaled approximately $14.7 million from April 1995 to December 31, 2012, with money often designated by the donor for a specific purpose (e.g., “for a Memorial” or “for education of children”). Of the original donations, the DRF has paid approximately $11.2 million to assist over 1,000 survivors and children, to help fund the Oklahoma City National Memorial (these figures exclude amounts received and paid by other charitable organizations who assisted survivors) and to provide case management assistance to survivors.

- The DRF was one of over 40 agencies who participated in relief efforts. Collectively, the relief efforts were estimated to be approximately $49 million consisting of numerous organizations and aid from the federal government. The DRF only managed its own funds and not those of other agencies.

- Investment earnings have been approximately $10.9 million on the donor contributions invested in the last 17 years.

- Approximately 50% of the donations received by the DRF were earmarked by donors for education. These education funds were invested by the DRF for the long term in anticipation of the future education needs of the youngest children.

- The DRF’s practices and procedures were consistent with IRS guidance for disaster relief. The DRF framed its practices and procedures that exist today based on the guidance provided by the IRS in August 1995.
The DRF is continuing to provide support to survivors. It has been active since 1995 and continues to help pay for education and the ongoing needs of numerous survivors.

The DRF has funded college and university education costs for approximately 171 students (216 are eligible) totaling $3.92 million since 1995. There have been 90 degrees completed; some students have completed more than one degree.

The governing documents established that the DRF would be a 501(c)(3) charitable organization subjecting it to certain IRS regulations. The DRF governing documents, IRS guidance and donor documentation never suggested the DRF was established to be a fund to be divided among the survivors or others affected by the bombing.

Some of those alleging the DRF denied them assistance have received thousands of dollars in financial assistance since 1995 from the DRF and other relief agencies. We have analyzed reports of denials of assistance to survivors, discussed them in our report and included them in Exhibit 1.

There was a consistent theme of the DRF trying to help some survivors become self-sufficient and not simply serve as a source of ongoing funding, particularly if they had other resources. This practice was consistent with IRS guidance.

During our investigation, it became apparent through the BKD Information Line and interviews with survivors that a few had fallen “between the cracks.” The DRF had lost contact with a few survivors and became aware of some not previously known. Some recently contacted the DRF directly to have their case evaluated.

The DRF adopted a practice requiring survivors to use other available resources first, such as Medicaid, before using DRF funds to fund a need. This practice in general followed the regulations promulgated by the IRS.

We did not find evidence of an outside analysis or study to develop an estimate of future demands on the fund for the future medical costs of critically injured survivors. There was evidence of numerous discussions about assessing long-term planning about how much might be needed in the future. The DRF often took a conservative approach concerned with having funds for long-term needs without ever formally projecting how much that might be. For education funding, there was an outside analysis conducted, which led to the investments that were made of the funds designated for education.

We interviewed some survivors who lost contact with the DRF or stated that they never knew the DRF existed. In some cases, we found the DRF had made several attempts to reestablish contact with survivors.

There has been occasional “agency confusion” over the years where some survivors did not differentiate among the agencies which had been providing aid to them. We saw at least one example where a survivor was receiving counseling assistance from another agency and was suddenly told by that agency there would be no more funds available. A
few of the survivors we interviewed expressed frustration over this and not knowing about the DRF and its ability to help after another agency stopped providing assistance.

• Some of the policies for education funds, particularly graduate student stipends, changed over time, possibly becoming a point of contention for some graduate students who received less than someone else simply by virtue of the timing of their application. Graduate student stipends were added around 1997 as the DRF saw more funds were available than anticipated.

• In November 2012, the DRF Trustees relaxed the Survivors’ Education Fund policy to allow anyone over 25 to apply for funds if they were ever eligible – e.g., if someone was 25 or younger at the time of the bombing but decided not to attend college then, they could apply for education funds today.

• The $4.4 million in funds that were reallocated for long-term use using investment earnings are still available at the OCCF if the DRF should need these funds, except with respect to the $20,000 discussed below. This reallocation appears to have caused concerns from a donor and public perception standpoint. In particular, the money that was used for disasters outside of the Oklahoma area ($10,000 for Joplin, Missouri and $10,000 for Birmingham, Alabama), could be perceived as falling outside of the intent of the donors and the DRF.

• Testing disbursements did not reveal uses of the donations for anything other than their designated purpose. We found the DRF made efforts to ensure disbursements were well supported with documentation.

• Analysis and inspection of financial records did not indicate any improprieties related to disbursements of funds. Questions raised about DRF funds being used to pay the salary of Nancy Anthony, OCCF’s President, are unfounded.

• We found no evidence in the financial records that DRF funds were used to pay for the OCCF office building or any of its fixtures. We have confirmed with corroborating evidence that the OCCF office building was paid with other OCCF funds.

• Administrative fees charged by the OCCF are in line with community foundation industry standards.
Approach to Investigation

Our approach to this investigation included analysis of information from a wide range of sources including interviews, review of applicable policies and procedures, analysis of IRS guidance for exempt organizations, Form 990s filed by the DRF, survivor case files, DRF and OCCF accounting records, internal memoranda, correspondence with donors and minutes from DRF Trustee meetings throughout the 17-year history of the DRF. Much of this information is not available to the public, but we were allowed access as part of our investigation. We also analyzed certain public information as necessary as many events surrounding the bombing have been well documented.

The interviews included OCCF personnel, case managers, DRF Trustees, former Mayor Ron Norick and former Governor Frank and Cathy Keating. We also talked to a number of survivors about their experiences with the DRF.

Additionally, on March 1, 2013, NBC’s program, “Rock Center,” aired a story about the survivors and the DRF. There were interviews conducted that were never aired, including an interview with Governor Keating. We requested access to this footage as part of our investigation, but this footage has not been provided as of the date of this report.

The Oklahoma City National Memorial Archives also provided us with access to minutes from meetings of the Resource Coordination Committee (RCC), the group created by state and community leaders to coordinate relief efforts. The DRF was one of several major service providers on this committee, which included major disaster relief agencies and several other organizations. The minutes helped provide insight into the original practices established to assist survivors, which would later be part of the assistance model used by the DRF.

Toll Free Information Line

We established a toll free number at the onset of the investigation that was published in various media outlets and posted on the OCCF website. This allowed anyone with pertinent information to call and report information they believed could be relevant to our investigation.

We received over 50 calls on this Information Line and evaluated each one, including conducting follow up conversations with many individuals. Among the callers were survivors, first responders and others who were affected by the bombing. We monitored all messages left on the Information Line and made contact with most parties within 48 hours.

The Information Line system allowed a caller to leave a message up to 10 minutes long. There were no limits placed on how many messages a person could leave and several people called us more than once.

Some of the calls were positive, reporting a good experience with the DRF, and some were negative. There were some instances where survivors reported needing assistance. Some of these calls have already resulted in opportunities for survivors to meet with DRF case managers to have their cases evaluated.
Confidentiality and HIPAA

We conducted all of our interviews in a confidential manner, respecting the privacy of the individuals that we spoke with. Discussions with survivors took place within the offices that we occupied with the doors closed and no others present other than the professional conducting the interview. We have not shared any information obtained from these interviews with the DRF, unless the caller signed a waiver specifically requesting that communication. We have encouraged those with whom we spoke to contact the DRF to have their case evaluated if they indicated they still had needs related to the bombing such as long-term medical, living assistance and education needs.

We also did not use or disclose Protected Health Information of the persons that we have interviewed or the files that we reviewed for any purpose other than for purposes of (a) performing our engagement, (b) our management and administration, or (c) carrying out our legal responsibilities. We have implemented what we consider to be appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of that Protected Health Information.

In this report, in order to protect the confidentiality of the persons involved, we are not able to discuss the specifics of our findings related to individual cases, but are only able to describe the broader issues surrounding those cases that we reviewed.

The report that follows contains our analysis of the DRF and its operations during its almost 18-year existence.
BKD Investigation Analysis and Findings

1. Formation of DRF and Governing Documents

   a. Analysis

Collective Response to Help Those Affected by Bombing

The Oklahoma City community and nation responded to the bombing relief efforts with an outpouring of financial support. Unsolicited donations arrived from around the country and the world supporting numerous charities. Organizations and businesses held fundraisers often raising thousands of dollars in a matter of days or weeks. Many watched the events unfold through the media and wanted to help in whatever way possible. Survivor needs were numerous but the money it would ultimately take to assist those survivors was unknown.

With the OCCF and numerous other charities receiving donations, it quickly became apparent to community leaders at that time that some type of coordinated effort would be necessary. Fundraising in the days and weeks after the bombing turned to the more difficult task of evaluating and meeting a wide spectrum of needs to those requesting help. Many social service workers did not know which victims were eligible for what services or resources from the various sources of relief.¹

A few weeks after the bombing, the United Way of Central Oklahoma, the OCCF, the Office of Governor Frank Keating, and many other organizations involved in the relief efforts established what was initially known as an “Unmet Needs Committee” but would become more officially known as the Resource Coordination Committee to help the survivors and others affected. The RCC consisted of representatives from agencies such as the Red Cross, Salvation Army, Catholic Charities, United Way, Feed the Children, OCCF and numerous other organizations. At one of the first meetings, it was stated that the RCC existed to better assist people in receiving benefits and services by a coordination of agencies with resources of manpower, materials and money.²

After forming in May 1995, the RCC began conducting weekly meetings to present cases of survivors who were requesting assistance. At these meetings, the needs of those affected by the bombing would be shared with the entire group of agencies present and joint funding activities coordinated. The RCC provided a forum for survivors to have their cases heard by representatives from relief agencies, churches, service clubs and government agencies, providing the best opportunity for rapid assistance for often dire needs. If one agency was not willing or able to provide financial assistance, in many instances some other agency would. Based on our review of the records from these meetings, it was common for two or more agencies to split the cost and write checks to help a survivor with such expenses as unpaid medical bills or to purchase a new vehicle destroyed in the bombing. It also helped minimize the risk of duplication of efforts and resources. An April 1996 report issued by the United Way of Metro Oklahoma

² Minutes of the Resource Coordinating Committee, May 26, 1995
City characterized the RCC as an “unbiased, unselfish, and boundless group of individuals representing a number of agencies whose sole purpose is to meet the unmet needs of survivors.”

We analyzed minutes from various RCC meetings held in the months and years after the bombing. From the beginning, the minutes provide indications of efforts to vet the requests and maintain stewardship over the funds earmarked for survivor assistance. While the overwhelming majority of survivor requests were funded in some way, there were several instances where the RCC meeting minutes reflect a survivor’s request needed to be verified or required additional documentation.

At least one of the meetings indicates a denial to someone who requested help for a situation unrelated to the bombing. One agency agreed to help pay moving expenses for a family to return to the Oklahoma City area but first wanted to try and negotiate a better price with the moving company. In another case, a survivor requested some exercise rehabilitation equipment with one agency agreeing to provide funding pending a doctor’s approval. In all, the hundreds of requests heard by the RCC varied greatly in complexity and survivor needs. While most received money quickly to help with unmet needs, the complexity of some of the cases did not always allow for writing a check as the first step or solution.

Understanding the RCC’s operating philosophy and how it handled cases provided us with insight into the case management model that became part of the practice for the DRF. The DRF became one of a few remaining agencies still in operation helping survivors after the RCC disbanded in 2000. For those with more significant needs, the case management model placed a case manager (often a counselor or social worker) who would meet with survivors, review their cases and help find a solution to the problems caused by the bombing. Three years after establishment of the RCC, minutes from a subcommittee meeting stated the RCC was seeking “ways to transition the clients from dependence to independence.”

The April 1996 report prepared by the United Way of Metro Oklahoma City indicated that one year after the bombing over $30.4 million had been committed or already spent by over 20 nonprofit organizations and private funds. The DRF’s portion of this total was $10.3 million (total spent plus the estimated amount needed for future needs of survivors). As a comparison, the report indicates the Red Cross had spent/committed $9.4 million. In addition to charities, the Federal Emergency Management Agency (FEMA) committed approximately $11.32 million to disaster relief. FEMA assistance included establishing a crisis counseling program (Project Heartland), disaster housing, issuing grants to those who could not afford to repay loans, and funding to help pay for emergency work and the repair or replacement of public facilities. The U.S. Small Business Administration also provided a $7.27 million disaster loan program for individuals and businesses. This placed the total relief efforts at an estimated $49.0 million.

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3 Minutes from RCC Closeout Subcomittee Report on July 28, 1998
4 See Appendix 1 – United Way of Metro Oklahoma City – April 1996 Report
How the OCCF Became Involved in Disaster Relief Efforts

After the bombing, companies and other organizations were holding fundraisers or establishing funds, but were not in a position to manage and distribute financial relief. Other state and community leaders were also turning to the OCCF for assistance with management and administration of funds. The OCCF became one of approximately 40 agencies involved in relief efforts after the bombing, but each managed its own donations and set its own policies for disbursements to survivors.5

The fact that the OCCF became a resource for managing donations was due in large part to its role in the community. The OCCF was established as a public charity in 1969 to serve the charitable needs of the Oklahoma City area through the development and administration of endowment funds with the goal of preserving capital and enhancing its value for the benefit of the Oklahoma City area.6 The Council on Foundations generally describes a community foundation as a tax-exempt, public charity often serving thousands of people to improve the quality of life in a community. Many businesses and charitable organizations in the Oklahoma City area turned to the OCCF to accept donations and manage the cases, including the distribution of financial support.

OCCF Creates the Oklahoma City Disaster Relief Fund, Inc.

After becoming involved in the relief effort, the OCCF created and incorporated the DRF to become one of many “affiliated funds” controlled by the OCCF (as of June 30, 2012, the OCCF has 29 affiliated funds, including the DRF). The DRF has its own Board of Trustees, consisting of five members, governing and meeting separately from the OCCF Board of Trustees. The DRF became the entity through which donations provided to the OCCF would be managed and distributed.

The DRF accepted donations based on two primary conditions.7 First, funds contributed could be combined with others who were donating to the DRF for relief efforts. Second, the DRF would retain the rights to decide how funds should be spent. Donors could designate money for various purposes such as education or children’s assistance, but the DRF would make the final determination on how the money should be distributed within these general guidelines.

DRF Governing Documents

Certificate of Incorporation

The DRF filed its Certificate of Incorporation with the Oklahoma Secretary of State on June 15, 1995. A Certificate of Incorporation is the legal document filed to form an organization or company. The following are key provisions of the Certificate of Incorporation:

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6 OCCF Notes to Consolidated Financial Statements, June 30, 2012, Note A – Organization and Significant Accounting Policies
7 These conditions were in compliance with Internal Revenue Service requirements for Internal Revenue Code 501(c)(3) organizations, which will be discussed in greater detail later in the report.
• The DRF was incorporated as a 501(c)(3) organization exempt from federal income taxes.

• The DRF was organized and shall be operated exclusively for charitable, scientific or educational purposes, by making distributions to or which exclusively benefit or carry out the charitable, scientific or educational uses and purposes of receiving, managing and disbursing funds given from any source intended for relief of those with demonstrated need as a result of the April 19, 1995, bombing of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma, including the following:

  o **Community Recovery** – to meet long-term needs of those directly affected by the bombing, including the emergency workers, volunteers and others who must deal with life-long mental health services, adequate counseling and case-management for surviving families, and educational needs of surviving children, and;

  o **Restoration** – restoration of the area adjacent to the bomb site including appropriate memorials for those whose lives were lost, and;

  o **Education** – assist with the education of dependent children whose parent was killed or critically injured by the explosion, including scholarships for higher education, vocational training, special education, fees, books, other essential expenses necessary to provide for educational needs, and;

  o **Nonprofit organizations** – support for nonprofit organizations with facilities and programs directly affected by the bombing, including direct loss from damage, injury or death of staff or resources diminished in support of emergency aid.

• The DRF Certificate of Incorporation provides: “Unless the Board of Trustees of The Oklahoma City Community Foundation, Inc. (the “Foundation”) determines such purpose to be contrary to the best interest of the Foundation, and so long as the Fund is at all times operated for the purposes stated herein.”

• The DRF may be dissolved upon an affirmative vote of the DRF Trustees. Upon dissolution, the Board of Trustees shall, after paying liabilities, distribute the remaining assets to the OCCF to be administered as a separate account to be known as the Oklahoma City Disaster Relief Fund. Depending on certain factors, there is also an alternative provision that the remaining funds could also be given to another exempt organization.

**Bylaws**

To evaluate the DRF’s decisions and activities, we gained an understanding of the DRF’s Bylaws (the rules adopted to regulate and manage its own affairs) and IRS guidance. The following are key provisions of the DRF Bylaws:
The DRF is governed by a Board of Trustees. There are four “public” members initially consisting of four OCCF Trustees and one “donor” member (initially represented by the Mayor of Oklahoma City). Each DRF Trustee holds office for one year or until his or her successor is elected or until his or her resignation, removal or death.

The DRF Board of Trustees has the responsibility to determine all distributions to be made from net income and principal, if any, as they deem necessary to assure use of such funds for authorized charitable and educational purposes in the manner intended.

The resources of the DRF are intended to benefit those persons, real and corporate, as shall have been injured, suffered loss either of property or opportunity, as a result of the bombing.

DRF Trustees are authorized to make disbursements for a reasonable allocable share of administrative expenses, including salaries for professionals or other assistants as deemed necessary.

The DRF Trustees or its designated agents shall investigate and make such analysis as deemed necessary to accomplish its objectives prior to making disbursement.

The DRF Trustees have complete and absolute discretion regarding distribution of the funds or any portion thereof and such discretion shall not be subject to judicial evaluation or contrary determination, nor shall the DRF Trustees be held accountable for distributions made in good faith (with the bounds established by applicable law and the DRF’s governing documents).

Additionally, we found nothing in the board minutes or governing documents indicating Nancy Anthony or any OCCF staff member was ever a DRF Trustee.

Internal Revenue Service (IRS) Disaster Relief Guidance

IRS Letter Dated August 25, 1995 (Appendix 2)

Shortly after the bombing, the Oklahoma Center for Nonprofits requested a letter from the IRS to help local charities avoid running afoul of, and to help maintain compliance with, federal tax laws governing not for profit, tax-exempt organizations involved in the relief efforts. This included the DRF and OCCF. The complexity of evaluating how to manage and disburse funds to those who had unmet needs caused by a manmade disaster was, in many regards, uncharted waters in 1995.

The DRF’s status as a 501(c)(3) charitable organization subjected it to certain federal tax laws. These are of primary importance because they regulate how a charity handles its business, and violation of those laws places their exempt status and the deductible status of donors’ contributions in jeopardy. Interviews with management indicated that this August 1995 IRS guidance was used as a roadmap throughout the DRF’s existence in deciding how it would evaluate requests for assistance from survivors.
The letter from the IRS provided guidance to the DRF for administering relief aid as a charitable organization. The letter indicates it does not set forth new IRS rules or regulations related to the bombing, but provided a “one-stop” compilation of existing provisions of the federal tax law related to providing disaster relief assistance.

Key points from this letter provided by the IRS (the full text of which is attached as Appendix 2) are as follows:

- Activities of the organization must serve a public rather than a private interest.

- Persons who are financially unable to care for themselves as a result of sudden or severe or overwhelming financial burden arising from events beyond their control are proper objects of charity because they are considered to be “distressed.” In appropriate circumstances, relieving their distress serves a public rather than a private interest.

- A “needy” person (as defined under federal tax laws) is someone who lacks the necessities of life essential to physical, mental, or emotional well-being, as a result of poverty or temporary distress. Examples include someone financially impoverished as a result of low income, a person who lacks food or shelter and the means to provide for it, victims of natural disaster, and persons victimized by a civil disaster.

- Care of a “needy” person under the tax laws includes alleviation or satisfaction of an existing need. Care of the needy must relate to a particular and appropriate need. For example, a need arising from a natural disaster such as temporary housing. However, someone in need may not receive assistance for recreational facilities.

- Persons may qualify as distressed even if they would not otherwise qualify as poor. In distressed situations, disaster relief organizations may provide goods and services to victims of disasters such as food, clothing, housing, transportation, medical assistance, or similar necessities without regard to financial need.

- After immediate critical needs have been met, criteria for providing aid to satisfy long-term needs must be used so that available aid can be directed to the person most in need of it. Complete and appropriate documentation of need is required of persons seeking assistance and documentation should be maintained by the organization to demonstrate the charitable nature of relief efforts.

- The type of aid that is appropriate to relieve distress in a particular case depends on the individual’s needs and the individual’s resources. Individuals might be appropriate recipients of short-term assistance, but not long-term assistance. For example, after meeting immediate necessities, a family may not meet the criteria for assistance since they are covered by insurance, have sufficient assets, or can reasonably obtain and repay a loan.
• An outright transfer of funds based solely on an individual’s involvement in a disaster or without regard to meeting that individual’s particular distress or financial needs would result in excessive private benefit.

• When applying for long-term assistance, it is appropriate to evaluate an applicant’s financial condition prior to making a distribution.

• A “terminating charity can distribute remaining funds after meeting its financial obligation to other qualified charities or to a government for public purposes.”

In addition, the IRS released IRS Notice 95-33 on May 17, 1995, which clarified that donations earmarked for Oklahoma City federal building bomb attack relief that were made to organizations that were recognized as tax exempt under 501(c)(3) of the Internal Revenue Code were tax deductible. In addition, it stated that the tax law does not allow taxpayers to deduct contributions earmarked for relief of any particular individual or family.

**IRS Concept of “Indefiniteness”**

The IRS letter describes a key concept known as indefiniteness, which means a charity cannot be created to only serve a pre-selected group of people. An organization can usually avoid the “limited class” issues if the beneficiaries (recipients of the charitable aid) are indefinite either by virtue of their large numbers or by defining the class in an open-ended manner. The August 1995 IRS letter provides an example of a charity created to help firemen and other victims of a specific fire as too limited in its purpose. But if the organization is created to also provide aid to victims of future fires, it may be appropriately “open ended.” In this example, opening the charity to the possibility of helping future fire victims inherently creates an indefinite number of potential recipients.

According to the IRS guidance, if the facts and circumstances indicate that a disaster relief program is intended only for victims of a current disaster without any intention of ever providing for victims of future disasters, the organization would not be considered to be benefiting a charitable class. This would result in providing benefits that serve private interests and not exclusively public interests and could jeopardize the organization’s tax exempt status and thus make donors’ contributions to the organization non-deductible.

**No Automatic Right to Charitable Aid**

Following the terrorist attacks of September 11, 2001, President George W. Bush signed into law the Victims of Terrorism Tax Relief Act of 2001. As part of this Act, the IRS updated its guidance for charities providing disaster relief to include this legislation. This guidance is set forth in IRS Publication 3833, “Disaster Relief: Providing Assistance Through Charitable Organizations.” The guidance contains many of the same principles as the letter dated August 25, 1995, but expands on certain points and provides additional examples. Part of IRS Publication 3833 states the following:

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“An individual who is eligible for assistance because the individual is a victim of a disaster or emergency hardship has no automatic right to a charity’s funds. For example, a charitable organization that provides disaster relief or emergency hardship relief does not have to make an individual whole, such as by rebuilding the individual’s uninsured home destroyed by a flood, or replacing an individual’s income after the person becomes unemployed as the result of a civil disturbance. This issue is especially relevant when the volume of contributions received in response to appeals exceeds the immediate needs. A charitable organization is responsible for taking into account the charitable purposes for which it was formed, the public benefit of its activities, and the specific needs and resources of each victim when using its discretion to distribute its funds.”

Other key points from IRS Publication 3833, much of it reiterating or clarifying existing IRS regulations include:

- A charitable organization must maintain adequate records to show that the payments further the organization’s charitable purposes and that the victims served are needy or distressed.

- Charities must maintain appropriate records to show that they have made distributions to individuals after making appropriate needs assessments based on the recipients’ financial resources and their physical, mental and emotional well-being.

IRS Publication 3833 notes that the Victims of Terrorism Tax Relief Act of 2001 made changes to make it easier for charities to quickly provide relief to disaster victims immediately after a disaster occurs. In certain circumstances, a charity may provide more broad based assistance to address the psychological and economic needs of the victims. Congress relaxed the rules to allow for relief in the immediate aftermath of disasters, allowing a charity to disburse funds without the requirement to conduct individual victim needs assessments.

However, it notes that organizations “must make a specific assessment that a recipient of aid is financially or otherwise in need. Individuals do not have to be totally destitute to be financially needy; they may merely lack the resources to obtain basic necessities.

In addition, charitable funds cannot be distributed to individuals merely because they are victims of a disaster. Therefore, an organization’s decision about how its funds will be distributed must be based on an objective evaluation of the victims’ needs at the time the grant is made. The scope of the assessment required to support the need for assistance may vary depending upon the circumstances.” See Appendix 3.

**Other Types of Disaster Relief Funds**

Survivors of other attacks and disasters occurring since 2001 have, in some instances, been compensated through funding mechanisms established by private companies (British Petroleum oil spill in 2010) or the federal government, as was the case after the September 11, 2001, attacks. For example, the United States Congress authorized the September 11th Victim Compensation Fund of 2001 to compensate any individual (or personal representative of the deceased) who was physically injured or killed as a result of the terrorist related aircraft crashes.
on September 11, 2001. A Special Master was appointed to oversee distribution of the fund. Those who requested compensation waived their right to file civil action in any federal or state court for damages sustained as a result of the terrorist attacks on September 11. According to the Federal Register, there was some apparent similar confusion between the compensation fund and private charities arising after the September 11 attacks\(^9\) which noted:

“An important point needs to be made here regarding the differences between the private and federal compensation efforts arising out of the attacks of September 11. Many commenters confused this Victim Compensation Fund, which was created by Congress and is financed by taxpayer revenue, with the private charities (e.g., American Red Cross). For example, some were upset with the Special Master because their private charitable donations were not being divided equally. Others were angry at the Special Master for not disseminating private charitable donations in a more timely fashion. It should be reiterated that the Special Master administering this Fund is not in charge of, nor does he maintain any control over, the private charitable organizations or the money they have collected.”

Another fund that we researched was the Aurora Victim Relief Fund of Community First Foundation. The funding model set up for this fund was like an insurance fund, where victims and their families submitted “claims.” The fund paid victims within four-months of the shooting that occurred on July 20, 2012. The funds were paid out based on the severity of the injuries sustained. Those amounts ranged from $220,000 per claimant, if a person was killed or had life-altering injuries, to $35,000 for persons who were hospitalized from 1 to 7 days. In addition, there were 81 victims who were present who received $5,000 each. In all, $5.9 million dollars was distributed in a four-month time period.\(^{10}\)

All of the Aurora money was distributed in the direct aftermath of the event—within four months. The Aurora fund was established to receive contributions for the support of victims and the community affected by the July 20, 2012, shooting. The DRF was established to fund the long-term education, medical and other needs of the survivors.\(^{11}\) In Aurora, money was paid to victims, not based on unmet needs or based on a specific assessment of a need, but was based on a menu of categories that was created by the Special Master appointed by the foundation overseeing the funds and the Governor of the State of Colorado.

As indicated above, there is a difference between the compensation funds established by private employers after a disaster or unique situations such as the taxpayer-funded compensation fund created after the terrorist attacks of September 11, 2001. A significant portion of the money donated to the DRF was earmarked by donors for a long term purpose – e.g., the future education of children. The DRF was not provided with federal or state funds to compensate survivors or those who lost family members. In addition, financial aid was available and supplied for the

\(^{9}\) Federal Register, Vol. 67, No. 49/ Wednesday, March 13, 2002
\(^{10}\) Audited Financial Statement of the Aurora Victim Relief Fund of Community First Foundation for the period from July 23,2012 through November 16, 2012
\(^{11}\) The need for long-term services to support the survivors of terrorism was reinforced later: See “Responding to Terrorism Victims: Oklahoma City and Beyond, October 2000, U.S. Dept. of Justice, Office for Victims of Crime, http://www.ojp.usdoj.gov/ovc/publications/infores/respterrorism/welcome.html
short-term needs of survivors from numerous organizations as outlined in the 1996 United Way report discussed earlier in this report.

Based on the IRS guidance, it appears that the DRF as an exempt organization would likely be in violation of federal tax laws if it began liquidating the funds that are left among the survivor group in a manner similar to compensation funds (and such distributions would be viewed as inuring to the benefit of private individuals in violation of the charitable organization provisions of the Internal Revenue Code).

b. Findings

- The DRF is a 501(c)(3) organization under the Internal Revenue Code and is subject to restrictions as to how it can disburse funds.

- The DRF sought and obtained IRS guidance shortly after its formation. The guidance was provided specifically for the relief efforts after the Oklahoma City bombing. The DRF has relied on this guidance since 1995.

- A significant portion of the money donated to the DRF was earmarked by donors to address long-term needs. The DRF’s processes included vetting requests for assistance and establishing many of the same policies and processes adopted by the RCC in the weeks after the bombing.

- Survivors have no automatic rights to aid and this is established by the IRS guidance.

- The IRS provided additional publicly available guidance after the September 11, 2001, terrorist attacks, which provides further clarity on permissible distributions of disaster relief payments. We found nothing to suggest this changed the way the DRF should have been handling its relief efforts several years after the bombing.

- Nothing in the governing DRF documents indicates its purpose was to be a compensation fund to be shared among the survivors.

- The IRS “indefinite class” concept creates some parameters in terms of allocation of funds, which are appropriate to consider. There may be opportunities to seek IRS guidance regarding the precise constraints created by virtue of the “indefinite class” concept. See recommendations at page 40.
2. Evaluation of Donations

a. Analysis

The DRF received funds from a variety of donors, some designating the money for a specific purpose. Reviewing this documentation helped us develop an understanding of how donors intended their donations to be used that, in addition to the IRS guidance, is of primary importance in evaluating how the DRF was allowed to distribute funds.

We found the DRF received several large donations from private companies (such as various banks), the Governor’s Office, the Mayor’s Office, churches, service organizations and others. Companies and organizations established a fund or collected money from various individuals, which was then provided to the DRF. Many sent letters at the time of the donation placing some type of restriction on, an indication of, what they wanted their donations to be used for. The DRF set up the larger amounts received as separate “funds” so they could track the donations received and how the money was spent. For example, if a bank gave $150,000 and asked that it be used for education, the OCCF would track this and prepare a report for the donor months or years later to show how the donation had been used. Many of these smaller funds established by companies or other organizations (e.g., the Kiwanis Club of Oklahoma City Relief Fund) were entirely spent for the purposes designated by the donor in the years after the bombing and were closed.

The following shows some of the more significant amounts received and the donor designation:

- **Mayor’s Disaster Relief Fund:** This fund received over $2.2 million in donations. A press release from the Mayor’s office dated June 14, 1995, states that “from day one, we never requested donations, but every day more money came in the mail. We started the Mayor’s fund to deal with an unsolicited flood of checks and cash.” It notes the Mayor’s office received over 100,000 pieces of mail in the weeks after the bombing. It also notes that some people designated their donation for a specific survivor or family and checks were mailed to those people. The press release notes that remaining contributions would be used for educational expenses and to “help pay medical costs, property losses and mental health needs.” The press release ends by stating “placing this fund with the Community Foundation is the best way to ensure the donations, which came from all 50 states, are spent and invested wisely. We have an obligation to be good stewards so years from now the fund is there for the children and other survivors.”

The OCCF provided all of the administrative support for the Mayor’s Disaster Relief Fund including sending acknowledgement letter (receipts) to over 16,000 donors. The OCCF also distributed funds for specific purposes in the instances where donors had designated their giving.

- **Survivors’ Education Fund:** This fund received approximately $7.4 million in donations, becoming the largest source of funds received by the DRF. Donations earmarked for education accounted for approximately 50% of all contributions. An April 4, 1996, press release from the Governor’s Office states, “The Survivors’ Education Fund, administered by the Oklahoma City Community Foundation, has raised approximately $6.6 million, including $4.8 million pledged by the Governor’s Fund.”
Governor Keating in this document also states that “it was my goal early in the process to focus this money on scholarships. It’s one of the many long term needs these families face.” Interviews with Governor and Mrs. Keating reinforced that the donations were raised with the understanding that the money would be used to fund the long-term education needs of children who lost parents in the bombing.

The two funds above accounted for approximately 66% of all donations received since the DRF was formed. Other examples of donor designations and requests include:

- An investment firm donated over $150,000 to the DRF, asking that the money be used to support medical, psychological and related services for the children and their families.

- A bank donated $150,000 to the DRF, asking that the money be used for the “immediate families of the deceased to partially reimburse them for the expenses incurred, whatever they may be, as a result of the bombing.”

- One organization donated $200,000, earmarking the money for mental health care.

- One organization donated over $400,000 asking that $175,000 be used for the daily, ongoing task of rebuilding lives and that $175,000 be used for scholarships of children, $50,000 toward the Oklahoma City National Memorial, and $10,000 to aid in assistance and education of all federal employees and their families.

Over the years as needs became clearer, the DRF Trustees also allocated funds for specific purposes such as long-term medical and mental health care.

b. Findings

- We tested disbursements and found nothing in our testing to indicate improper use of donor funds.

- Some organizations collected donations from hundreds or even thousands of people before providing the lump sum to the DRF, often with some restrictions or preferences for how that company or organization wanted the money to be used.

- The DRF became the designated agency for those donating money for the longer term needs of survivors and children’s education. With these restrictions, the DRF was limited in what it could do with the money other than to invest it for the long term and fulfill the direction provided by donors and the IRS.
3. Evaluation of Survivor Cases and Disbursement of Funds

a. Analysis

Types of Assistance Provided to Survivors

Since April 1995, DRF has provided financial support to approximately 1,033 survivors and others affected by the bombing. This includes a wide range of support from medical care to the cost of educating children who lost a parent in the bombing. The Oklahoma City National Memorial has also received support from the DRF. Collectively, approximately $11.2 million has been disbursed for all of these purposes. Included in the assistance and the total above were the services of professional case managers. The two remaining case managers have worked with survivors since 1995, attending RCC meetings as a representative of the DRF.

Based on a review of disbursement records, the majority of those requesting assistance were helped in the first few years, quickly reducing to a much smaller group (DRF Trustee minutes indicate that in 2001 there were approximately 76 survivors served by the DRF, and that number did not fluctuate significantly since 2001).

The following provides a summary of the donations, earnings on investments, distributions and reallocations, showing the balance remaining as of December 31, 2012.

<table>
<thead>
<tr>
<th>Fund Names</th>
<th>Contributions</th>
<th>Investment Earnings Allocated *</th>
<th>Distributions</th>
<th>Reallocations</th>
<th>Ending Balance as of Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Victims Assistance Funds</td>
<td>$5,157,818</td>
<td>$772,940</td>
<td>$3,711,613</td>
<td>$1,586,834</td>
<td>$632,311</td>
</tr>
<tr>
<td>Education Funds</td>
<td>7,439,774</td>
<td>7,106,654</td>
<td>4,717,892</td>
<td>4,934,535</td>
<td>4,894,001</td>
</tr>
<tr>
<td>Community Recovery</td>
<td>828,284</td>
<td>382,376</td>
<td>1,770,548</td>
<td>561,021</td>
<td>1,133</td>
</tr>
<tr>
<td>Memorial Funds</td>
<td>101,807</td>
<td>21,387</td>
<td>95,080</td>
<td>28,114</td>
<td></td>
</tr>
<tr>
<td>Day Care Center Fund</td>
<td>23,321</td>
<td>15,911</td>
<td>21,467</td>
<td>481</td>
<td>18,246</td>
</tr>
<tr>
<td>Long Term Medical and Mental Health</td>
<td>811,349</td>
<td>2,260,216</td>
<td>333,233</td>
<td>1,676,635</td>
<td>4,414,967</td>
</tr>
<tr>
<td>Retraining Relief</td>
<td>-</td>
<td>96,597</td>
<td>54,990</td>
<td>41,607</td>
<td></td>
</tr>
<tr>
<td>Mental Health</td>
<td>326,258</td>
<td>271,751</td>
<td>485,221</td>
<td>112,788</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$14,688,611</td>
<td>$10,927,832</td>
<td>$11,190,044</td>
<td>$4,465,741</td>
<td>$9,960,658</td>
</tr>
</tbody>
</table>

* Net earnings after investment fees of $374,865 and OCCF administrative fees of $425,289

Although the DRF has approximately $10 million remaining, it also has future outlays that will be needed for education of the younger children who have recently graduated from high school, for continued medical needs for those most critically injured and for continued mental health needs. The needs for education, medical and mental health support could continue for several more years and some needs could be significant. The projected amounts of those needs have not yet been formally quantified.

Because numerous agencies were working together in the relief efforts, survivors signed a release and waiver form authorizing the agency or case manager to share certain relevant and necessary information for the purpose of providing assistance. Each survivor file we reviewed contained one of these release and waiver forms. The form specifically stated, “I further understand that the release of this information does not guarantee that assistance will be
provided, but that without the information my case may not be presented for consideration by members of this committee.” See Appendix 4.

The following provides an explanation of the three largest funds remaining. This includes the General Victims’ Assistance Fund, Survivors’ Education Fund and the Long Term Medical Fund.

General Victims’ Assistance Fund (balance of $632,311 as of 12/31/12):
This fund has provided assistance for unmet needs such as funerals, utilities, car, mortgages, rent, insurance premiums, clothing and tutoring for dependents. This fund also helped pay the costs to contract with case workers who were working directly with survivors to assess and assist in meeting their current unmet needs.

The policy adopted at the June 29, 1995, DRF Trustee meeting states the following:

“Normal living expenses may be assisted for a limited time, and for individuals whose primary or secondary monthly income was substantially reduced because of death or physical injury resulting from the bombing. Temporary assisted living expenses may include food, utilities, rent, mortgages, health insurance & day care costs. Amounts supplied to families of individuals who were killed or physically disabled by the bomb will be based on actual needs verified by Community Counseling Centers case managers. Assistance paid to eligible families of deceased or physically disabled former wage earners will be paid on a monthly basis for a period not to exceed twelve months. Total payments received by the eligible individuals or families will not exceed $10,000 unless specific unmet needs in excess of that total have been verified by Community Counseling Center’s case managers and specifically authorized by the Clearinghouse Advisory Committee.”

Beginning in 1996, notations in files indicate the DRF case managers started advising at least some survivors that the “general fund” (referring to this immediate assistance fund) was getting low on funds. This message from case managers to some survivors appears to be due to the DRF’s decision to begin allocating funds for the long-term medical, mental health, rehabilitation and education needs.

A memorandum dated January 4, 1996, from Nancy Anthony to the DRF Trustees noted that “at the present time, there is no means testing occurring with respect to the payment of any expenses. This is particular concern when we see car, rent, and mortgage payments continue month after month and little effort being made by individuals to assume responsibility for these expenses. Some of these clients do have other resources and have received support and assistance from other areas. Specifically, they have received workers compensation, disability, insurance payments, and direct support from private trusts and contributions.”

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12 The Clearinghouse Advisory Committee was a name given to a committee appointed to assess disbursements to survivors.
This was also discussed at the DRF Trustee meeting on January 8, 1996. The minutes state that Ms. Anthony informed the DRF Trustees that means testing had been done infrequently for basic living assistance. She asked that the policy statement regarding assistance be amended to restrict basic living assistance to those who had no other sources of support or other resources. One DRF Trustee stated the emergency was over and it was appropriate to focus on longer term needs. The minutes indicate one of the DRF Trustees asked one of the lead case managers to begin informing those receiving assistance that they would be expected to utilize other resources if available in the near future. However, the actual date of this implementation was left open.

At the December 9, 1996, DRF Trustee meeting, a new policy was adopted for providing daily living expenses from the General Victims’ Assistance Fund such as housing, living and auto expenses. The policy projected an end to daily living expenses five years after the bombing but said there would be those with critical injuries who would continue to need assistance. The policy said in order to receive daily living expenses, the survivor had to be involved in rehabilitation or a recovery program. It also required those requesting assistance to provide documentation from an appropriate health care provider including a diagnosis (tied to bombing), statement of goals and short term objectives and a prognosis. If the prognosis projected an individual would not be employable at the end of treatment, the plan would include application for workers compensation disability, medical retirement and/or supplemental security income (SSI). The policy notes this was done to follow IRS guidance for disaster relief funds.

Another discussion about the General Victims’ Assistance Fund took place at the December 2001 DRF Trustee meeting with one of the DRF Trustees asking how long the General Victims’ Assistance Fund would last. One OCCF staff member responded that the money would last at least two more years. A DRF Trustee then stated that they should begin giving notice to those who are helped a year’s notice if the DRF expected to deplete those funds.

It is not known precisely how this message about winding down funding for daily living expenses may have been delivered to some of the survivors over the years. There is certainly a potential for miscommunication or misinterpretation leading some to believe that funds no longer existed and therefore, potentially the source of several complaints. In other cases, those who may have received assistance for several months may have eventually been declined continued assistance with certain expenses if they had a job or were deemed to have other financial resources.

Nothing in our review of case files indicates the DRF ever stopped providing living assistance for several survivors. The DRF’s accounting records reflect payments for such items as gas bills, utility bills, car insurance and other living expenses for several survivors, which continued through the most recent 2012 information we reviewed.

**Long Term Medical (balance of $4,414,967 as of 12/31/12):**

The DRF assisted many survivors with medical bills and mental health counseling, some of which continues today. A physician’s letter or notification that the medical expenses related to an injury sustained as a result of the bombing was and still remains a requirement. The DRF case managers indicated they relied on physician expertise and recommendations and did not attempt to make judgments as to the severity of an injury or the proper course of care. Survivors reporting injuries due to the bombing were referred to a physician for evaluation.
The DRF’s medical funds were also not intended to be the first resource used if others were available. The DRF established a practice requiring evaluation of any existing health insurance, workers compensation, Medicaid and other such forms of coverage. At times, this included assistance provided by other agencies involved in assisting survivors such as the American Red Cross. This also appears to be a key complaint of some survivors who were redirected or asked to apply for some other type of government assistance, such as Medicaid, if they appeared to meet the requisite qualifications.

Over the last 17 years, the DRF has periodically reallocated funds specifically to create a long-term medical fund which, at December 31, 2012, had a balance of approximately $4.4 million. The DRF has not yet commissioned a study to estimate future care and medical costs for the most critically injured. It has not been determined how close this $4.4 million balance is to the costs that may ultimately be incurred. A formal study by an outside professional may provide more insight into future costs. DRF case managers and personnel believe certain critically injured survivors they have been working with may continue to need assistance for several decades.

**Survivors’ Education Fund (balance of $4,894,001 as of 12/31/12):**

The Survivors’ Education Fund was established to assist children with educational expenses for undergraduate education or vocational training after high school. The Survivors’ Education Fund covers tuition, fees, books and room and board. It became the largest source of contributions earmarked by donors, totaling $7.4 million and accounting for approximately 50% of all contributions received.

The rationale for the fund was to help replace the parental contribution for college or vocational training, which was lost as a result of the bombing. Those eligible for assistance from the Survivors’ Education Fund include all children who were dependents of persons killed or permanently disabled, and all children present in the Murrah building who survived.

In November and December 1995, the OCCF began mailing letters to each of the identified children and their guardians informing them of the availability of educational funding. After these initial letters, the DRF sent reminder letters, in at least some years, to those individuals who were nearing college age, reminding them of the fund’s existence and the requirement to enroll in an educational institution prior to age 25 in order to receive assistance.

According to DRF management, the original policy was not intended to exclude students from attending college after age 25, but was intended to create a cut-off point for determining which students were dependent on their parents for educational support. In November 2012, the DRF Trustees relaxed the policy to allow anyone over 25 to apply for funds if they were ever eligible – e.g., if someone was 25 or younger at the time of the bombing but decided not to attend college then, they could apply for education funds today.

Other education funding beyond the DRF had also been set aside for children affected by the bombing, such as the Heartland Scholarship through the Oklahoma State Regents for Higher Education and the Federal Employees Education Assistance Fund. The DRF coordinated with these other agencies to often jointly fund education costs. The availability of these other education funds reduced the amount the DRF would likely have otherwise had to pay.
Since 1995, the DRF has funded the education for approximately 171 students (216 are eligible). There have been 90 degrees completed; some students have completed more than one degree. For the year ended June 30, 2012, there were 36 students who were enrolled.

The following graph shows the number of students receiving funding from the DRF each year (total in graph is greater than 171 because pursuing a degree would require attending a college or university for more than one year).

**Individuals Receiving Education Benefits**
(by year)

The following graph shows the DRF’s cumulative disbursements for education (which includes tuition, fees, books, room and board) totaling approximately $3.92 million from April 1995 to December 31, 2012.

**Cumulative Education Disbursements ($)**
In addition to providing funding for undergraduate studies, the Survivors’ Education Fund expanded to include stipends for those who wanted to pursue a graduate degree. The following is the amounts and approximate timeframes the amounts were provided:

- 1997 – 2002: $1,000/semester
- 2003 – 2008: $2,000/semester
- 2008 – 2009: $5,000/semester
- 2009 – 2011: $10,000/semester
- 2011 – current: $5,000/semester

The DRF changed the graduate student stipend as investments increased and it became apparent there would likely be sufficient education funds for the future. The amounts progressively increased to $10,000 per semester, at which time the requests for funds increased to the point that DRF staff became concerned about depleting funds too rapidly and the graduate school stipend was reduced back to $5,000 per semester. The graduate student stipend was a relatively small part of the overall Survivors’ Education Fund as not all of those attaining an undergraduate degree choose to pursue a graduate degree. The DRF’s records show stipends paid to approximately 29 graduate students.

**Reports of Denials**

As part of our investigation, we developed procedures to review and analyze denials of assistance and the process by which denial decisions were made. Several survivors have indicated they were denied assistance or were told no funds existed. To help evaluate this contention and to evaluate performance of the DRF in helping survivors, we reviewed 56 cases dating back to 1995, including some of the most complex cases. Source documents in survivor case files included progress notes from case managers, notes on conversations, letters, emails, physician recommendations and many other documents. We also conducted interviews, including discussions with over 40 survivors. We also reviewed documents at the Oklahoma City National Memorial Archives, which contained information from the RCC. All of this helped us assess the performance of the DRF against its policies and procedures.

Our review of the files included a search for documentation related to general file information and for information regarding general expenses, medical expenses and education expenses. General file information included documents such as confidentiality waivers, disaster assessment forms and progress notes (for those files related to assistance other than educational). General expenses included documentation related mainly to living expenses, such as utilities, vehicle, clothing, insurance and other similar recurring payments.

Supporting documentation for medical expenses included physician letters verifying association of the injuries with the bombing, as well as any long-term effect of the injuries and likelihood for additional procedures. The DRF required invoices from hospitals or other medical institutions to support requested assistance prior to providing medical funding, and then DRF would make payments directly to the institution, rather than to the survivor.

Supporting documentation for education expenses included award letters, appeals letters for graduate stipends, standard letters regarding eligibility requirements related to both undergraduate and graduate status, release of information forms and educational plans.
During our review, we determined whether files contained required supporting documentation in accordance with DRF policies and procedures. Due to the vast diversity of assistance required or sought by various survivors, each file contained varying levels of supporting documentation. We were able to locate documents related to each file we tested to support the assistance provided by the DRF.

We have attached, as Exhibit 1 to this report, a summary of our analysis of the survivor files. The names and specific information regarding medical conditions have been omitted to protect the identity of persons receiving assistance. The files we reviewed were taken from a combination of Survivor Tree complaints, BKD Information Line calls and our own sampling of files. We have reviewed 100% of the files which related to the Survivor Tree complaints and BKD Information Line calls. OCCF staff, case managers, OCCF Trustees and DRF Trustees were not involved in making any of the selections of the files we selected.

A number of other agencies have provided assistance to survivors over the years. The number of survivors and the dollar amounts to provide additional support to those people is beyond the scope of our engagement. Where possible, we documented survivor assistance received from other agencies to the extent that information was noted in files we reviewed.

The graph below presents the direct assistance paid to survivors each year from 1995 through December 31, 2012, totaling $7,295,071 and benefitting 1,033 individuals directly impacted in some way by the bombing. These figures do not include the cost of case management assistance where the DRF assisted survivors with facilitation of medical, counseling and education assistance (totaling $2,348,764). Case managers, also, were the liaisons to the RCC for each survivor they assisted. The DRF provided assistance to survivors totaling $379,730 for the fiscal year ended June 30, 2012.

![Total DRF Direct Assistance to Survivors](image_url)

**Total DRF Direct Assistance to Survivors**

*For Each Fiscal Year Ending June 30 (April 1995 to December 31, 2012)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct Assistance to Survivors</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 1995</td>
<td>$200,000</td>
</tr>
<tr>
<td>FY 1996</td>
<td>$1,622,390</td>
</tr>
<tr>
<td>FY 1997</td>
<td>$1,800,000</td>
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<tr>
<td>FY 1998</td>
<td>$1,622,390</td>
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<tr>
<td>FY 1999</td>
<td>$1,200,000</td>
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<tr>
<td>FY 2000</td>
<td>$1,200,000</td>
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<td>FY 2001</td>
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<td>FY 2002</td>
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<td>FY 2012</td>
<td>$379,730</td>
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<tr>
<td>Thru 12/31/12</td>
<td>$379,730</td>
</tr>
</tbody>
</table>
The following are some common themes and examples of cases noted in our analysis of the DRF’s assistance to survivors:

- Some of those who indicated they had been denied assistance have received thousands of dollars in financial assistance from the DRF and other agencies since 1995.

- The overwhelming majority of requests for assistance we reviewed were approved, although denials for some types of assistance did occur in some instances. We also found some survivor requests were not as simple as an immediate “approval” or “denial” but required further investigation and gathering of information by the case manager.

- Case manager notes in survivor files reflect it was not uncommon to lose contact with a survivor. For example, one survivor recently said he or she was denied assistance. However, the notes from this survivor’s file indicate the case manager could not find the survivor after an initial phone interview that took place a few years after the bombing. The notes indicate the case manager attempted a home visit about one week after the phone interview, but found no one at the address given to the case manager by the survivor. Neighbors indicated they had not seen a resident at the location in some time. A letter was also sent to the address but was returned by the postal service indicating the resident had moved and left no forwarding address. The records reflect the survivor never contacted the DRF again until calling the BKD Information Line.

- We saw at least one request where a physician determined the survivor’s request for a new medical procedure was unrelated to the bombing. As an example, one survivor who had been receiving various forms of assistance asked the DRF to pay for a new medical procedure 10 years after the bombing. A physician subsequently wrote a letter to the case manager stating the condition was unrelated to the bombing.

- There were a few occasions where payments or other assistance was delayed due to the stipulation that other available sources of funding be used before the DRF. One 2004 DRF memorandum in a case file noted the case manager works with individuals and families to facilitate the coordination of charitable resources after individual and family resources (private health insurance, Title XIX, etc.) have been exhausted as required by the IRS.

- Case managers sometimes worked with survivors to make them more financially independent from the DRF. One case file memorandum indicates a case manager met with a survivor several years after the bombing to “look at ways to best transition the survivor to take over their monthly expenses now that they were employed.” The DRF had been paying monthly utilities, water bills, groceries, insurance and home and car repairs for over ten years for this survivor.

- Since there was a cooperative relief effort among the agencies, there was sometimes no distinction in survivors’ minds as to which agency had told them funding was ending. For example, a few survivors indicated they were receiving assistance only to be told funding was ending. However, further investigation indicated an agency unrelated to the DRF and OCCF had been providing the survivor with assistance and their funding had
ended. Most agencies had stopped providing relief within five years of the bombing. While it does not appear to be widespread, there may have been a few survivors that were not transitioned to the DRF or made aware of its existence.\(^{13}\)

- The DRF Trustee minutes reflect discussions about a more restrictive policy (but not ending assistance) toward providing daily living expenses once the immediacy of the relief efforts had ended. Based on case manager notes in various files, this was communicated to some of the survivors. For example, one survivor said he or she was told a few years after the bombing that the general fund (for daily living expenses) was running out of money. However, this survivor had received over $40,000 in support from the DRF, in addition to assistance received from at least three other charities. The DRF lost contact with this survivor in 2001, until the survivor recently sought assistance again.

- One person claimed to be a survivor who worked at a business near the bombing site and was denied assistance. There were neither records of this person in our review of the RCC documentation (from the years right after the bombing when many sought assistance from the numerous agencies then providing relief) nor a record of an application at the DRF after the bombing. Analysis of the file indicates that DRF staff contacted the employer where this person claimed to have worked at the time of the bombing. This employer told DRF staff this person did not begin working there until several years after the bombing. Therefore, this person’s whereabouts at the time of the bombing were questioned until additional information is provided.

The DRF Trustee minutes reflect that appeals of survivors were considered in several meetings. According to interviews with management, their procedure was as follows: if the survivor was unhappy about how support was being handled, the complaint/issue would be reviewed by the DRF case managers to determine if there was a course of action that would satisfy the survivor. If one was not found through this “administrative review” and if the survivor was still unhappy, then the survivor was directed to address the DRF Trustees via an appeals letter. Case managers could not unilaterally make the final funding decision. We saw numerous instances of this procedure in the survivor files and in the DRF Trustees minutes that we reviewed. However, this appeals process was not noted in any written policies and we do not know if all survivors had this opportunity.

For the Survivors’ Education Fund, the appeals letter was a standard practice for those eligible to receive graduate studies stipend assistance. If the survivor was unhappy with being denied support for services, they would be directed to address the DRF Trustees in an appeals letter.

\(^{13}\) Project Heartland was established with funding from the Federal Emergency Management Agency (FEMA) through the Center for Mental Health Services. Funding for the program ended in February 1998. Between June 1, 1995, and February 28, 1998, Project Heartland reported providing 8,869 clients with counseling, support group, or crisis intervention services.
Outreach Efforts to Survivors

There were some reports that survivors did not know about the DRF, raising doubt about how well the DRF disseminated information to make it known that assistance was still available. We noted the following:

- January 8, 1996, DRF Trustee minutes stated that nine families had not been contacted directly out of the 169 families who lost someone in the bombing. It stated that these nine families were almost all out of state and that numerous attempts had been made to contact them. It said all families had been contacted if they had a family member seriously injured. The minutes reflect that Nancy Anthony stated that this effort had been made to ensure the Governor and Mayor that every family had been offered an opportunity for services.

- March 20, 2006, DRF Trustee minutes state that the Oklahoma State Department of Health surveyed critically injured survivors 10 years after the bombing. It states that 200 survivors were surveyed based on those who were admitted to the hospital for treatment after the bombing. It said the DRF received 56 referrals for assistance from this, including 22 the DRF had already been assisting. The case manager told the DRF Trustees at this meeting that the “survey had been a good follow-up for those with whom there had been no contact in a long time.”

The OCCF has also indicated they had a dedicated phone line up until 2007 that survivors could call. In late 2012 as news stories surfaced, the OCCF obtained a list of the survivors that may have unmet needs and began making contacts. This information was shared with us.

b. Findings

- Overall, nothing we found would indicate the operation of the DRF and the decisions it made with regard to survivors were outside its discretion in operating under its Bylaws, established practices, or IRS regulations.

- Some survivors have received several thousands of dollars in assistance not only from the DRF but from other agencies over several years.

- There were indications of some denials; however, this was often due to the DRF asking a survivor for more information in order to satisfy the IRS requirements and that information was never received.

- In 1996, the DRF began communicating to some survivors that general assistance for living expenses would be ending soon or that funds were no longer available. It is not entirely clear how this message was delivered and may have been miscommunicated.
• The DRF changed its graduate education stipend policy four times; for some this appears to have become a point of contention when they received less simply because of the timing of their application.

• The DRF’s policies toward financial assistance focused on meeting “unmet needs.” We found the practices adopted reflected a desire to comply with IRS guidance and to maintain sufficient funds for the long term because future demands on the fund remained an unknown.

4. Management and Investment of Donations

a. Analysis

Investment of DRF Contributions

The DRF became the organization accepting and investing donations for the longest term needs. By 1996, donors had provided over $6.7 million specifically earmarked for the education of children and this would continue to increase, ultimately receiving approximately $7.4 million in contributions. Much of the education money was raised by then Governor Frank Keating. The DRF Trustees developed an investment plan to make the funds last for not only the youngest children entering college many years later, but for those with long-term medical needs, as well.

Early on, the discussions at DRF Trustee meetings show it was difficult to project how much money would be needed. For example, it was not difficult to identify the number of children who would be eligible for education funds. But variables such as how many in this group would ultimately pursue a degree, the future cost of higher education and the types of schools they might choose to attend were all difficult to predict despite efforts to make some projections.

The DRF was also planning on several survivors who might not ask for help initially but might have mental or physical health problems manifesting several months or years later (in addition to those with critical injuries requiring long-term care they were already working with). With this uncertainty, minutes from DRF Trustee meetings reflect ongoing discussions about managing the DRF’s resources and periodically reevaluating the options as needs of survivors became somewhat clearer.

The DRF Trustees took a conservative investment approach particularly early in the DRF’s existence. At one of the first DRF trustees meetings held on June 29, 1995, the DRF Trustees initially approved investing in U.S. Treasury securities (other than the educational funds). The DRF Trustees were managing approximately $6.25 million at the time this decision was made.

In January 1996, the DRF Trustees began investing donations earmarked for long-term education needs. Based on a recommendation from the OCCF Investment Committee, the DRF Trustees invested the education funds in U.S. Treasury Strips (sometimes referred to as “T-Strips”) with maturities extending through 2017. This was the projected year when the youngest children eligible for the Survivors’ Education Fund would be completing their college educations. The objective was to avoid losing any of the principal amounts provided by donors. They wanted to
guarantee funding for the education of children who would later pursue degrees at colleges and universities.

In our analysis of subsequent DRF Trustee meetings, there were continued discussions about the needs of survivors and the amount of money left in the fund. For example, at the June 3, 1996, DRF Trustee meeting there was a discussion about developing projections for the needs of survivors so the DRF Trustees could appropriately make changes to the investment strategy if needed.

In September 1996, the DRF purchased additional zero-coupon bonds with one of the DRF Trustees noting “this was the most conservative investment approach and put the funds at the least possible risk.” According to the minutes, the total value of investments as of September 13, 1996, was approximately $11.25 million, which included approximately $4.8 million received from the Governor’s Fund.

By June 1998, the market value of the DRF investments had increased to approximately $12.55 million, due in large part to earning over $2.15 million in investment income in approximately three years. Just three months before, the March 1998 DRF Trustee minutes indicated “the rate of distribution had been less than expected.” It indicates the Trustees were continuing to work on a plan to invest these funds for a longer term.

The DRF’s investments continued to generate income, and in some years, outpaced expenditures. For example, for the fiscal year ending June 30, 1998, investment earnings were approximately $1.21 million and expenditures were approximately $1.1 million. Some of the investment growth was attributed in the minutes as “interest received and increase in market value of the bonds.” As market interest rates declined, the value of the bonds held by the DRF increased substantially.

On November 20, 2000, the DRF Trustees changed some of the investment approach. The OCCF Investment Committee, which helped evaluate and guide the DRF’s investment decisions, recommended that cash be invested in the OCCF pooled investment fund. At that meeting, one Trustee noted that “we will have plenty of money to meet the needs which are anticipated and that the higher level of risk in the general pool could be easily tolerated by the fund.” The DRF Trustees approved investing excess funds in the OCCF pooled investment fund. The OCCF was already managing several million in other donor affiliated funds at that time so this investment decision was not unique to the DRF.

The OCCF’s pooled investment fund is overseen by an investment committee comprised of six OCCF Trustees and three members of the community knowledgeable about investments. The OCCF investment policy includes the following general investment objectives:

- Capital preservation
- Inflation protection
- Continuing source of investment income for charitable funds
- Performance that places the OCCF’s investment pool in the top one-third of similar funds
The OCCF Trustees contract a professional investment consultant and professional investment managers. According to an investment report published by the OCCF, the pooled investments have a ten-year rate compounded rate of return of 6.27%, which closely tracked with comparable investment benchmark indices. The investments returns since 2002 have ranged from a high of 21.57% in 2011 to a negative 14.61% in the 2009 fiscal year.

The November 2000 minutes also show the DRF Trustees were asked to “begin thinking about the long-term uses of the funds to support disasters outside the needs generated by the Murrah Building bombing.”

By June 2004, the investments managed by the DRF reached their peak value, growing to approximately $14.4 million. This was due in large part to investment earnings which had added approximately $6.8 million to the DRF’s investments from 1995 through June 30, 2004. Expenditures for survivor assistance, funding for the Memorial, case management and other expenses totaled approximately $7.0 million in this same period.

The graph below shows donations and investment earnings during each year.

![Investment Earnings Compared to Donations](image)

By 2004, the survivor group requiring long-term assistance had diminished to a more defined group. The children eligible for the Survivors’ Education Fund was also a relatively well defined group and education costs had become somewhat more predictable as the DRF saw how many children were applying for education funds and the schools they were attending.
On June 30, 2007, the DRF was managing approximately $10.8 million twelve years after the bombing. At the May 2007 DRF Trustee meeting, one of the DRF Trustees “expressed concern that the remaining balance is so large” with another DRF Trustee responding that “the large balance reflects conservative and wise management.” The discussion that followed included information about the needs of 52 individuals being served or who had been served in the last year. The case manager at this 2007 meeting noted there were two people who had very serious medical needs that could require at least a minimal level of care for the remainder of their lifetimes.

During the fiscal years ending June 30, 2008 through June 30, 2010, when market conditions were generally less favorable for investors, the DRF earned approximately $521,000 on its investments. Expenditures to assist survivors exceeded the investment earnings during these years. However, for the year ending June 30, 2011, the DRF’s investments had a particularly good year, earning approximately $1.38 million. As of December 31, 2012, the DRF has approximately $9.96 million in investments and cash remaining.

b. Findings

- Investment of funds to plan for long-term needs was a prudent decision made by DRF Trustees.
- The investment decisions made by the DRF Trustees appear reasonable and conservative. We verified that the OCCF Investment Committee was consulted on the largest investment decisions.
- Investment earnings of approximately $10.9 million during the DRF’s almost 18 years of existence have allowed the funds to grow and preserved the principal for future needs of survivors.

5. DRF Decision to Reallocate $4.4 Million

a. Analysis

In 2005, OCCF staff proposed a reallocation of some of the funds due in large part to the earnings on the invested contributions. An internal memorandum drafted by OCCF staff to the OCCF Trustees and the DRF Trustees, dated February 5, 2005, outlined a plan to reallocate some of the investment earnings. The February 2005 memorandum indicated that “none of the current Trustees or staff anticipated when the fund was formed in May 1995, that both its needs and resources would still be in existence ten years later.” It also says that the survivor group needs of education, health, mental health and living support expenses “will always be the first priority of any funds received or generated by the Oklahoma City Disaster Relief Fund.”
The reallocation proposal had two parts. First, it proposed reallocation of funds within the DRF to try and match what the DRF perceived to be the greatest long-term needs of survivors. For example, money was reallocated out of the General Victims’ Assistance Fund and into the Long-Term Medical Fund. This established a new balance for these funds going forward.

The second reallocation was a proposed $4.4 million reallocation to set aside funding for longer term needs characterized in the memorandum as “Opportunities and Legacies.” Many of the DRF Trustees and management indicated they felt it was important to provide future funding to help victims of other disasters after so many communities outside of Oklahoma City had donated money after the bombing.

These two reallocations are summarized below:

**Core Services for Survivors and Dependents**
- Direct assistance for living expenses and family support: $ 600,000
- Children’s support fund: $ 400,000
- Survivors’ Education Fund: $5,200,000
- Case management and coordination: $ 500,000
- Long-Term Medical and Mental Health: $3,600,000

Amount set aside for survivors $10,300,000

**Opportunities and Legacies**
- Long-term studies: $500,000 (a)
- Assistance to Other Communities: $400,000 (b)
- Oklahoma City National Memorial: $1,500,000 (c)
- Community Infrastructure: $2,000,000 (d)

Amount proposed to set aside for long-term needs $4,400,000

(a) Funding for long-term medical, mental health and social work needs of those affected by the bombing that could also help add to the academic body of knowledge surrounding the long-term effects of various treatments and services.

(b) Funding that could help other communities learn about preparing for disaster and to contribute to other communities when there are needs for emergency support such as Oklahoma City received in 1995.

(c) Funding for an endowment with the annual earnings going to the Oklahoma City National Memorial to help with survivor support and activities.

(d) Funding for an endowment to support the community’s infrastructure needs related to emergency response and large scale tragedies. It would support training of a variety of support professionals and other needs associated with coordination, cooperation and basic emergency preparedness in the event of another tragedy. It also notes that this money would also be available to fund a continued case management function to help the survivors with the longest term medical and other needs.
The above reallocations were approved by the OCCF Trustees and the DRF Trustees. Except with respect to the total of $20,000 sent to Joplin, Missouri and Birmingham, Alabama for victim assistance related to tornados occurring there, the OCCF accounting records we analyzed indicate the funds are still in existence and could be redirected back to the DRF if needed. The memorandum noted “if at any time there is a shortfall in funds allocated to any of the basic commitments, these funds could be invaded to provide that support.”

Our accounting standards research found that, absent a donor or legal restriction that has been placed on earnings associated with their original contribution, investment income is reported as unrestricted income. This means the earnings could be redirected for some other charitable purpose of the fund. We found nothing in the donor files we reviewed to indicate earnings were restricted.

Because the DRF files its own Form 990 with the IRS, the $4.4 million allocation appeared as an expense, which could have given the impression the funds are no longer available. However, we did not find this to be the case. The funds that were reallocated are in an OCCF restricted fund. They still contain the same restrictions as noted in the February 2005 memo. The reallocations were made from the earnings on the DRF investments. Original donor contributions remained intact for the needs of the survivors.

OCCF management indicated the $4.4 million in reallocations was a first step toward the ultimate wind down of the DRF and an attempt to meet long term needs of not only the survivors, but also those of future disasters in other parts of the United States. As an example, the communities of Joplin, Missouri and Birmingham, Alabama each received $10,000 contributions from OCCF following devastating tornados in recent years. It is anticipated there will be additional contributions to help survivors of future disasters in other communities.

The decision to reallocate the funds, while laudable in its intent, was potentially a problem from a public and donor perception standpoint. We recognize the rationale and how it has the opportunity to help others in future years. The decision was consistent with the August 1995 IRS letter which states “a charity may certainly establish a fund within a community foundation aimed specifically at providing resources for future disasters within a specified area.”

However, it cannot be ignored that a certain amount of frustration would result from survivors who were told years earlier that “funds were running low” for living expenses only to discover that $4.4 million had been reallocated from the DRF and provided to help other causes. Additionally, as mentioned earlier in this report, the graduate stipend increased in 2010 but was cut in half one year later after demand increased causing the DRF to become concerned there the funds might deplete too quickly. Had the earnings from the Survivors’ Education Fund not been reallocated, the funds would have remained, providing more funds for those pursuing advanced degrees. While a relatively small percentage pursued graduate degrees (approximately 29 received stipends through 2012), certainly reducing the stipend made it less affordable for some who might have continued their graduate education.

14 FASB Accounting Standards Codification 958-320 Not-For-Profit Entities—Investments—Debt and Equity Securities
In addition, consideration should be given not only to the IRS guidance, but also to issues such as original donor intent, public perception, and the DRF’s governing documents.

b. Findings

- The $4.4 million in funds that were reallocated for long-term use using investment earnings are still available at the OCCF if the DRF should need these funds, except with respect to the $20,000 sent to assist survivors of disasters in other states. This reallocation appears to have caused concerns from a donor and public perception standpoint. In particular, the money that was used for disasters outside of the Oklahoma area ($10,000 for Joplin, Missouri and $10,000 for Birmingham, Alabama) could be perceived as falling outside of the intent of the donors and the DRF.

- With the exception of the total amount of $20,000 sent to Joplin, Missouri and Birmingham, Alabama, the funds are still available and invested with the OCCF should it become necessary to transfer the funds back to the DRF. Our investigation confirmed that they are being accounted for in separate accounts in the OCCF fund.15

- Accounting standards allow for investment earnings on the original contributions to be reported as unrestricted income and the funds can be redirected for some other charitable purpose of the fund.

- Allocating funds to help a larger group of future disasters fits within the IRS requirement to have an open-ended “indefinite” class, meaning funds should not be preserved to help a limited group of people.

- The OCCF Trustees and the DRF Trustees may need to revisit at least some of the $4.4 million reallocation to determine if there is a permitted or appropriate use for the money related to the bombing.

6. DRF Expenditures

a. Analysis

Our investigation included an analysis and testing of DRF expenses and other disbursements, including payments to survivors. Part of our investigation included obtaining a database record of all expenditures made by the DRF from 1995 through 2012. We selected certain expenditures, at our complete discretion, and inspected the supporting documentation. There were no restrictions placed on us and the OCCF was not involved in directing any of our testing. We tested numerous payments including inspecting supporting documentation for over $1.9 million in disbursements and looking for DRF Trustee approval on major expenditures. Expenditures varied widely for survivor assistance. Examples include paying the cost of funerals, water bills, mortgage payments, insurance premiums and clothing for survivors.

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15 See page 36 of the Oklahoma City Community Foundation audited financial statement as of June 30, 2012
We also looked at the types of administrative expenses paid by the DRF. While administrative expenses are an inherent cost of business, we looked for expenses charged that might be considered excessive or had no DRF business purpose. We also searched for disbursements related to allegations that the DRF helped fund the construction of the OCCF office building, that the DRF was paying the salary for Nancy Anthony and that the DRF was paying OCCF Trustees or DRF Trustees to serve.

We analyzed the accounting records and found Ms. Anthony’s salary is paid from other OCCF resources – not from the DRF. Part of the allegation that the DRF pays her salary appears to have originated from disclosures included in the publicly available IRS Form 990 filed annually. Beginning with the 990 filed by the DRF for the fiscal year ending June 30, 2009, column E on page 7 of the 990 discloses that Ms. Anthony’s salary was paid “from related organizations” – i.e., the OCCF, and not the DRF. In other words, Ms. Anthony is considered an executive of the DRF by virtue of her role as the top executive of the OCCF, but her salary is not paid from DRF funds.

The DRF is charged an administrative fee based on the DRF’s share of investments in the OCCF’s pooled investment fund. This administrative fee helps fund a number of administrative costs (including salaries) the OCCF incurs to operate funds like the DRF. The administrative fees are described in more detail in the next section of our report.

The following table shows the total expenditures by expense category from inception through December 2012:

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<tr>
<th>Expense Category</th>
<th>Amount</th>
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<tbody>
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<td>Education</td>
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<td>Case Management</td>
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<td>Counseling and Mental Health</td>
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<td>OKC Memorial</td>
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<td>Living Expenses and Auto</td>
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<td>Medical Expenses</td>
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<td>Housing</td>
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<td>All Other*</td>
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</tr>
<tr>
<td><strong>Total Disbursed</strong></td>
<td><strong>$11,190,044</strong></td>
</tr>
</tbody>
</table>

* Includes $276,903 largely related to the case management function which was partially allocated as administrative expense

Exhibit 2 contains a summary, by year, of the revenues and expenses of the DRF for each year of its existence.
b. Findings

- We did not find any payments from the DRF for Ms. Anthony’s salary and benefits.
- The OCCF provided the administrative support functions to the DRF through 2004 without charging an administrative fee to the DRF.
- We found no evidence of any compensation or payments to DRF or OCCF Trustees using DRF funds.
- We found no travel or reimbursements unrelated to DRF business. Minimal travel expenses were noted to provide training for case managers.
- We found no DRF funds used for event tickets, entertainment, or other similar costs for Ms. Anthony, staff, OCCF Trustees or DRF Trustees.
- We found no evidence of using DRF assets to pay for the construction of the OCCF office building or any of its fixtures completed in 2007. We were able to verify the project was funded entirely with other OCCF assets.
- None of our testing revealed payments for purposes we deemed questionable or unrelated to the DRF purpose. The payments tested reflect the DRF’s efforts to document and support each payment.

7. Administrative Fees Charged by OCCF

a. Analysis

The accounting records and minutes show the OCCF charged no administrative fees from the inception of the DRF in 1995 through June 30, 2004. Until this time, the DRF’s general and administrative expenses were paid by the OCCF, avoiding the use of any donations contributed to the DRF.

Beginning on July 1, 2004, the OCCF began charging the DRF an annual administrative fee equal to 40 basis points (0.40%) of the market value of investments held in the OCCF pooled investment fund. For example, $10.0 million invested in the OCCF pooled investment fund would be assessed a fee of $40,000 per year. This fee helps cover the costs of staffing, accounting and other services the OCCF provides. This was not a special administrative fee levied on the DRF. Rather, it is customary for a community foundation like OCCF to charge an administrative fee to any organization investing funds and is the fee which applied to other funds administered by the OCCF for the benefit of other donors and charities.
The DRF Trustees approved the administrative fee in a meeting held on August 4, 2004, which stated that “any new policy be consistent with founding commitments that none of the contributions would be used for administrative fees or overhead.” The minutes from this same meeting show Ms. Anthony stated that the “Community Foundation has provided service to the Disaster Relief Fund for nine years with no administrative fees, but that no recovery of the past costs was being considered. However, it was appropriate to ask this fund to pay some of its return toward administration.”

In October 2009, the administrative fee was increased to an annual fee equal to 60 basis points of the market value of the DRF funds (0.60%) in the OCCF pooled investment fund. This was an across-the-board fee increase on all organizations with funds invested with OCCF and did not just affect the DRF.

The DRF Bylaws also allow for charging certain administrative fees. The Bylaws state that “disbursements for the Fund’s reasonable allocable share of proper administrative expenses incurred by the Foundation for the benefit of the Fund, including salaries for such professional or other assistants as from time to time it may deem necessary, shall be paid so far as appears feasible, from general income and principal of the Fund.”

As a benchmark, we compared the administrative fees OCCF charged the DRF to 21 other community foundations around the country. The other community foundations reported charging supporting charitable organizations a fee ranging from 0.15% to 1.00% (with 15 of the 21 community foundations charging .50% or more) for those investing at least $10.0 million. This places the OCCF in the lower to middle tier of administrative fee rates charged by other community foundations.

Additionally, other relief agencies typically incur administrative expenses of various types ranging from salaries of staff to rent and utilities. As an example, in 2010 the National Office of the Salvation Army had approximately 12% of its expenses go toward administrative costs. The American Red Cross uses approximately 4% of its funds for administrative purposes and another 4% for fundraising.

In total the OCCF has received administrative fees totaling $425,000 since 2005 or an average of approximately $47,222 per year.

b. Findings

- The DRF has operated largely free of administrative and overhead expenses that would typically be incurred by a non-profit organization. This is due to the OCCF absorbing the administrative costs for the first nine years of its existence.

- The administrative fees charged by OCCF beginning in 2004 are reasonable when compared against fees charged by other community foundations.

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16 Source: CF Insights benchmarking report showing fees charged by various community foundations.
17 Better Business Bureau Charity Review Data
Recommendations

As a result of our investigation, we respectfully submit the following recommendations:

- The DRF should consider obtaining an IRS private letter ruling. A private letter ruling from the IRS would be a written decision that would bind the DRF and put to rest many of the issues as to what can or cannot be done with the remaining funds. An IRS private letter ruling would only address future activities and disbursements of the fund. Specifically, the DRF should ask for further guidance on how to qualify someone’s unmet needs and whether, for example, they have to place them through other government programs (i.e., Medicaid, Workers Comp) before they can provide them with support for medical needs. Other areas for clarification could include the “indefinite class” clause and the appropriate use of funds.

- The DRF should consider establishing and communicating a written policy for survivor appeals that could be reviewed by a committee. A part of this process might be to establish a special phone number or address that survivors could use to speak to someone about their concerns.

- The DRF should consider formalizing a policy for the use and distribution of funds. Among the factors to be evaluated by the DRF in formalizing this policy should be the following:
  - Guidance from the IRS, including “Indefinite Class” considerations
  - Governing documents (Certificate of Incorporation and Bylaws)
  - Intent of donors

- The DRF should consider revisiting at least some of the $4.4 million reallocation. There may be a portion of the funds that could be redirected back to the DRF and put to use while still maintaining compliance with the IRS standards.

- The DRF should consider implementing policies to ensure consistent outreach and coordination with other agencies so no survivor “falls between the cracks.” If a survivor is referred to another agency that has better resources, there should be close follow-up to make sure that survivor’s case is properly handled.

- The DRF should consider conducting an evaluation of future education costs for the remaining children and the medical/mental health costs of the critical cases by hiring independent consultants who are experts in projecting long-term medical costs of injured individuals.
Exhibit 1

Analysis of Survivor Files
<table>
<thead>
<tr>
<th>Reference #</th>
<th>Survivor’s Chief Complaint (if Applicable)</th>
<th>Denials if Noted</th>
<th>Services Provided by DRF</th>
<th>DRF Direct Assistance to Survivor</th>
<th>Other Charities and Agencies That Have Assisted the Survivor</th>
<th>Assistance Provided</th>
<th>Case File Indicates Long-Term Needs?</th>
<th>File Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>None noted</td>
<td>None noted</td>
<td>Medical, funding to purchase a vehicle</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $50,000.</td>
<td>Likely</td>
<td>Active</td>
</tr>
<tr>
<td>2</td>
<td>Received limited assistance, denied assistance in part</td>
<td>Payments in response to doctor services initially denied due to DRF’s stance of providing secondary assistance. Doctor told to bill HMO primary, then DRF would cover any gap, initial denial for coverage of some educational resources, funding sought from other sources</td>
<td>College, counseling, living expenses, house upgrades, mortgage payoff</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $50,000.</td>
<td>Yes</td>
<td>Active</td>
</tr>
<tr>
<td>3</td>
<td>None noted</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $50,000.</td>
<td>Unlikely</td>
<td>Active</td>
</tr>
<tr>
<td>4</td>
<td>None noted</td>
<td>None noted</td>
<td>Utilities, education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $50,000.</td>
<td>Unlikely</td>
<td>Inactive</td>
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<td>Reference #</td>
<td>Survivor’s Chief Complaint (If Applicable)</td>
<td>Denials if Noted</td>
<td>Services Provided by DRF</td>
<td>DRF Direct Assistance to Survivor</td>
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<tr>
<td>5</td>
<td>None noted</td>
<td>None noted</td>
<td>Living expenses, counseling, schooling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $50,000.</td>
<td>Likely</td>
<td>Active</td>
</tr>
<tr>
<td>6</td>
<td>Needed additional assistance</td>
<td>Denied assistance as the services agreed to and criteria set had been fulfilled according to DRF, no indication of set criteria, survivor still requesting assistance at time of denial</td>
<td>Living expenses, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $50,000.</td>
<td>Likely</td>
<td>Inactive</td>
</tr>
<tr>
<td>7</td>
<td>Told funds depleted, denied medical</td>
<td>Another agency passed this survivor’s case to the DRF. The other agency working with this survivor had depleted all funds and stopped providing assistance.</td>
<td>Medical, living expenses, purchase vehicle</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $50,000.</td>
<td>Likely</td>
<td>Active</td>
</tr>
<tr>
<td>8</td>
<td>None noted</td>
<td>Survivor requested assistance in obtaining a vehicle, which was denied (vehicle issue was determined to be unrelated to bombing)</td>
<td>Tutor, clothing, college</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $30,000</td>
<td>Unlikely</td>
<td>Active</td>
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<tr>
<td>Reference #</td>
<td>Survivor’s Chief Complaint (If Applicable)</td>
<td>Denials if Noted</td>
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</tr>
<tr>
<td>9</td>
<td>None noted</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $30,000</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
<tr>
<td>10</td>
<td>Limited assistance, denied assistance if treatment by doctor of choice</td>
<td>No information related to medical care denials in file. However, noted DRF would not pay for private school, as public school was mandated to provide specialized school placement to meet child's needs. DRF would assist with tutoring and support in appropriate placement</td>
<td>Counseling, living expenses, re-training</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
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<td>Received assistance from at least 3 agencies totaling in excess of $30,000</td>
<td>Likely</td>
<td>Active</td>
</tr>
<tr>
<td>11</td>
<td>Denied request for trade school</td>
<td>Salvation Army ended assistance</td>
<td>College, house repairs</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $30,000</td>
<td>Unlikely</td>
<td>Active - ARC</td>
</tr>
<tr>
<td>12</td>
<td>None noted</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
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<td>Received assistance from at least 3 agencies totaling in excess of $30,000</td>
<td>Unlikely</td>
<td>Unable to make contact</td>
</tr>
</tbody>
</table>
Exhibit 1

**Oklahoma City Disaster Relief Fund, Inc. (DRF)**

**Review of Survivor Files**

<table>
<thead>
<tr>
<th>Reference #</th>
<th>Survivor’s Chief Complaint (If Applicable)</th>
<th>Denials If Noted</th>
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<th>File Status</th>
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</thead>
<tbody>
<tr>
<td>13</td>
<td>None noted</td>
<td>None noted</td>
<td>Medical/dental, clothing, schooling, trade school, college</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $20,000</td>
<td>Likely</td>
<td>Active</td>
</tr>
<tr>
<td>14</td>
<td>None noted</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
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<td>Received assistance from at least 2 agencies totaling in excess of $20,000</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
<tr>
<td>15</td>
<td>Received limited assistance, denied assistance in part</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
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<td>Received assistance from at least 3 agencies totaling in excess of $20,000</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
<tr>
<td>16</td>
<td>Did not know fund existed, did not receive notification</td>
<td>Denied paying for mental health at doctor’s initial rate, but mental health services continued at a rate of $70/session</td>
<td>Living expenses, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $10,000</td>
<td>Likely</td>
<td>Active - ARC</td>
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<td>Reference #</td>
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<td>Services Provided by DRF</td>
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<tr>
<td>17</td>
<td>Told funds had depleted</td>
<td>Survivor refused to file with insurance, assistance ceased</td>
<td>Funeral expenses, living expenses, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $10,000</td>
<td>Likely</td>
<td>Inactive</td>
</tr>
<tr>
<td>18</td>
<td>Received no help from fund</td>
<td>None noted</td>
<td>Living expenses, counseling, medication</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
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<td>Received assistance from at least 3 agencies totaling in excess of $10,000</td>
<td>Likely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>19</td>
<td>None noted</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
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<td>Received assistance from at least 3 agencies totaling in excess of $10,000</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>20</td>
<td>Received no help from fund</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $10,000</td>
<td>Unlikely</td>
<td>Active</td>
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</tr>
<tr>
<td>21</td>
<td>Denied assistance</td>
<td>None noted</td>
<td>Counseling, college</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of the beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of the beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $30,000</td>
<td>Unlikely</td>
<td>Unable to make contact</td>
</tr>
<tr>
<td>22</td>
<td>None noted</td>
<td>None noted</td>
<td>College, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of the beneficiary.</td>
<td>None noted</td>
<td>Received assistance from at least 1 agency totaling in excess of $10,000</td>
<td>Likely</td>
<td>Active</td>
</tr>
<tr>
<td>23</td>
<td>Recently sought assistance and told could only help with past medical</td>
<td>None noted</td>
<td>Counseling, living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of the beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of the beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $10,000</td>
<td>Likely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>24</td>
<td>Denied assistance, told funds depleted, told could only help with past medical</td>
<td>DRF lost contact with survivor</td>
<td>Funeral expenses, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of the beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of the beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $10,000</td>
<td>Likely</td>
<td>DRF attempting contact</td>
</tr>
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<td>Reference #</td>
<td>Survivor’s Chief Complaint (If Applicable)</td>
<td>Denials If Noted</td>
<td>Services Provided by DRF</td>
<td>DRF Direct Assistance to Survivor</td>
<td>Other Charities and Agencies That Have Assisted the Survivor</td>
<td>Assisted the Survivor</td>
<td>Assistance Provided</td>
<td>Case File Indicates Long-Term Needs?</td>
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</tr>
<tr>
<td>25</td>
<td>Told funds depleted</td>
<td>Denied housing assistance by OK Housing Finance Agency; contacted state representative about getting assistance with medical needs. Survivor voiced he or she was not getting assistance from DRF</td>
<td>Counselling, living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>None noted</td>
<td>Received assistance from at least 3 agencies totaling in excess of $5,000</td>
<td>Likely</td>
</tr>
<tr>
<td>26</td>
<td>Received notification about fund, nothing materialized</td>
<td>None noted</td>
<td>Living expenses, trade school, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>None noted</td>
<td>None noted</td>
<td>Received assistance from at least 1 agency totaling in excess of $5,000</td>
<td>Likely</td>
</tr>
<tr>
<td>27</td>
<td>Did not know about fund</td>
<td>None noted</td>
<td>Funeral expenses, counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>None noted</td>
<td>Received assistance from at least 3 agencies totaling in excess of $5,000</td>
<td>Likely</td>
</tr>
<tr>
<td>28</td>
<td>Medical equipment broken</td>
<td>None noted</td>
<td>Medical, living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>None noted</td>
<td>Received assistance from at least 3 agencies totaling in excess of $5,000</td>
<td>Likely</td>
</tr>
<tr>
<td>Reference #</td>
<td>Survivor’s Chief Complaint (if Applicable)</td>
<td>Denials if Noted</td>
<td>Services Provided by DRF</td>
<td>DRF Direct Assistance to Survivor</td>
<td>Other Charities and Agencies That Have Assisted the Survivor</td>
<td>Assistance Provided</td>
<td>Case File Indicates Long-Term Needs?</td>
<td>File Status</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------------------</td>
<td>-----------------</td>
<td>--------------------------</td>
<td>----------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>-------------------</td>
<td>-------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>29</td>
<td>Told funds depleted</td>
<td>None noted</td>
<td>Funeral expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $3,000</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>30</td>
<td>None noted</td>
<td>None noted</td>
<td>Living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $5,000</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
<tr>
<td>31</td>
<td>Denied assistance</td>
<td>Survivor uncooperative in following physician care recommendations. Notes indicate if survivor’s lack of following physician’s care recommendations continued, DRF would no longer fund counseling</td>
<td>Counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $10,000</td>
<td>Likely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>32</td>
<td>None noted</td>
<td>None noted</td>
<td>Education funding</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $2,000</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
<tr>
<td>Reference #</td>
<td>Survivor's Chief Complaint (if Applicable)</td>
<td>Denials if Noted</td>
<td>Services Provided by DRF</td>
<td>DRF Direct Assistance to Survivor</td>
<td>Other Charities and Agencies That Have Assisted the Survivor</td>
<td>Assistance Provided</td>
<td>Case File Indicates Long-Term Needs?</td>
<td>File Status</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------------------------------------</td>
<td>-----------------</td>
<td>-------------------------</td>
<td>----------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>-------------------</td>
<td>-------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>33</td>
<td>Did not know Fund existed.</td>
<td>None noted</td>
<td>Living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $2,000</td>
<td>Likely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>34</td>
<td>Did not receive financial assistance</td>
<td>Survivor provided assistance for short period after bombing, then further assistance denied due to survivor returning to full time employment.</td>
<td>Living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies totaling in excess of $4,000</td>
<td>Likely</td>
<td>Inactive</td>
</tr>
<tr>
<td>35</td>
<td>None noted</td>
<td>None noted</td>
<td>Counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>None noted</td>
<td>Received assistance from at least 1 agency totaling in excess of $1,000</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
<tr>
<td>36</td>
<td>Denied assistance</td>
<td>None noted</td>
<td>Living expenses</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>BKD confirmed that this survivor also received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies in addition to the DRF assistance. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies</td>
<td>Likely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>37</td>
<td>Did not receive assistance/didn't know fund existed</td>
<td>None noted</td>
<td>Counseling</td>
<td>BKD confirmed this survivor received assistance from the DRF. As part of our review and analysis, we calculated the dollar value of the assistance and services provided by the DRF to this survivor. The dollar value of the assistance and services has been redacted to avoid revealing the identity of beneficiary.</td>
<td>None noted</td>
<td>Received assistance from at least 1 agency</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>Reference #</td>
<td>Survivor's Chief Complaint (If Applicable)</td>
<td>Denials If Noted</td>
<td>Services Provided by DRF</td>
<td>DRF Direct Assistance to Survivor</td>
<td>Other Charities and Agencies That Have Assisted the Survivor</td>
<td>Assistance Provided</td>
<td>Case File Indicates Long-Term Needs?</td>
<td>File Status</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------------------</td>
<td>-----------------</td>
<td>------------------------</td>
<td>----------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>-------------------</td>
<td>--------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>38</td>
<td>Did not know Fund existed, needs medical assistance</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>BKD confirmed that this survivor received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $4,000</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>39</td>
<td>Told funds depleted</td>
<td>Survivor directed to provide documentation medical necessity is related to bombing. DRF unable to establish as survivor of bombing. No information yet received</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>40</td>
<td>Unaware fund existed</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unlikely</td>
<td>Inactive</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Needs assistance</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unlikely</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>None listed</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>Denied educational assistance due to policy restrictions</td>
<td>Denied education assistance due to education fund policy restrictions</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>Needs assistance, received no response from Fund</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>BKD confirmed that this survivor received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $5,000</td>
<td>Likely</td>
<td>Active - ARC</td>
</tr>
<tr>
<td>45</td>
<td>Denied request for trade school</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>BKD confirmed that this survivor received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td>46</td>
<td>Denied educational assistance due to policy restrictions</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unlikely</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>Did not know Fund existed, other than educational</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>BKD confirmed that this survivor received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 2 agencies</td>
<td>Unlikely</td>
<td>Unable to make contact</td>
</tr>
<tr>
<td>48</td>
<td>Needs assistance</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Denied help/funding or didn't know fund existed</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Denied help/funding or didn't know fund existed</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
</tbody>
</table>
### Exhibit 1

Oklahoma City Disaster Relief Fund, Inc. (DRF)

Review of Survivor Files

<table>
<thead>
<tr>
<th>Reference #</th>
<th>Survivor's Chief Complaint (If Applicable)</th>
<th>Denials If Noted</th>
<th>Services Provided by DRF</th>
<th>DRF Direct Assistance to Survivor</th>
<th>Other Charities and Agencies That Have Assisted the Survivor</th>
<th>Assistance Provided</th>
<th>Case File Indicates Long-Term Needs?</th>
<th>File Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1</td>
<td>Requested assistance, denied request</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>S2</td>
<td>Did not know Fund existed, needs assistance</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>BKD confirmed that this survivor received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 3 agencies totaling in excess of $1,000</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unknown</td>
<td></td>
</tr>
<tr>
<td>S3</td>
<td>Did not know Fund existed</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>Inactive</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Inactive</td>
<td></td>
</tr>
<tr>
<td>S4</td>
<td>Denied help/funding or didn't know fund existed</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>None noted</td>
<td>Counseling</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>S5</td>
<td>Medical, working with Crisis Center</td>
<td>None noted</td>
<td>Survivor not previously known to DRF</td>
<td>None noted</td>
<td>None noted</td>
<td>Unknown</td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DRF attempting contact</td>
<td></td>
</tr>
<tr>
<td>S6</td>
<td>None noted</td>
<td>Denied any assistance as bills were &quot;not in keeping with policy&quot; as individual not a direct survivor and not financially impacted by bombing</td>
<td>None noted</td>
<td>None noted</td>
<td>BKD confirmed that this survivor received assistance from other charities and relief agencies. As part of our review, where possible, we identified the dollar amount of assistance this survivor received from other charities and relief agencies. This information was redacted to avoid revealing the identity of beneficiary.</td>
<td>Received assistance from at least 1 agency</td>
<td>Unlikely</td>
<td>Inactive</td>
</tr>
</tbody>
</table>

**Note 1:** The phrase “Unable to make contact” in the “File Status” column above indicates the DRF has attempted contact using information on file, but has not yet been able to reach this person.

### Other Charities and Agencies Providing Assistance

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARC</td>
<td>American Red Cross</td>
</tr>
<tr>
<td>BGC</td>
<td>Baptist General Convention</td>
</tr>
<tr>
<td>DRF</td>
<td>Disaster Relief Fund</td>
</tr>
<tr>
<td>FBC</td>
<td>First Baptist Church</td>
</tr>
<tr>
<td>FEEAF</td>
<td>Federal Employees Education Assistance Fund</td>
</tr>
<tr>
<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
</tr>
<tr>
<td>FTC</td>
<td>Feed the Children</td>
</tr>
<tr>
<td>RCC</td>
<td>Resource Coordinating Committee</td>
</tr>
<tr>
<td>SA</td>
<td>Salvation Army</td>
</tr>
<tr>
<td>SSI</td>
<td>Social Security Supplemental Security Income</td>
</tr>
<tr>
<td>UMC</td>
<td>United Methodist Church</td>
</tr>
</tbody>
</table>
Exhibit 2

Summary of Revenues and Expenses - By Year
<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Beginning Balance</th>
<th>Donations</th>
<th>Investment Earnings</th>
<th>Program Services</th>
<th>Reallocation</th>
<th>Administrative Expenses</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/1995</td>
<td>$ 6,507,694</td>
<td>$ 422</td>
<td>$ 193,771</td>
<td>$ 60,844</td>
<td>$ 5,053</td>
<td>$ 15</td>
<td>$ 6,250,433</td>
</tr>
<tr>
<td>6/30/1996</td>
<td>$ 6,250,433</td>
<td>$ 5,444,770</td>
<td>460,816</td>
<td>1,622,390</td>
<td>116,411</td>
<td>224,581</td>
<td>$ 13,202</td>
</tr>
<tr>
<td>6/30/1997</td>
<td>$ 9,847,452</td>
<td>$ 2,369,162</td>
<td>790,026</td>
<td>437,632</td>
<td>150,861</td>
<td>12,956</td>
<td>$ 13,793</td>
</tr>
<tr>
<td>6/30/1998</td>
<td>$ 12,389,298</td>
<td>$ 52,925</td>
<td>686,204</td>
<td>376,253</td>
<td>121,653</td>
<td>2,612</td>
<td>$ 15,427</td>
</tr>
<tr>
<td>6/30/1999</td>
<td>$ 12,551,584</td>
<td>$ 98,155</td>
<td>691,622</td>
<td>362,861</td>
<td>107,423</td>
<td>312,296</td>
<td>$ 9,390</td>
</tr>
<tr>
<td>6/30/2000</td>
<td>$ 12,298,625</td>
<td>$ 98,645</td>
<td>753,752</td>
<td>361,314</td>
<td>104,030</td>
<td>1,010</td>
<td>$ 7,011</td>
</tr>
<tr>
<td>6/30/2001</td>
<td>$ 12,613,692</td>
<td>$ 4,320</td>
<td>826,774</td>
<td>291,542</td>
<td>91,487</td>
<td>21,467</td>
<td>$ 9,831</td>
</tr>
<tr>
<td>6/30/2002</td>
<td>$ 13,263,935</td>
<td>$ 14,938</td>
<td>587,885</td>
<td>412,111</td>
<td>85,446</td>
<td>420</td>
<td>$ 13,122</td>
</tr>
<tr>
<td>6/30/2003</td>
<td>$ 13,122,770</td>
<td>$ 16,432</td>
<td>499,121</td>
<td>359,323</td>
<td>95,959</td>
<td>32,329</td>
<td>$ 13,946</td>
</tr>
<tr>
<td>6/30/2004</td>
<td>$ 13,946,491</td>
<td>$ 4,430</td>
<td>566,187</td>
<td>266,096</td>
<td>65,999</td>
<td>36,090</td>
<td>$ 14,397</td>
</tr>
<tr>
<td>6/30/2005</td>
<td>$ 14,397,997</td>
<td>$ 6,043</td>
<td>878,607</td>
<td>307,768</td>
<td>125,544</td>
<td>4,461,937</td>
<td>$ 14,937,997</td>
</tr>
<tr>
<td>6/30/2007</td>
<td>$ 10,232,623</td>
<td>$ 3,037</td>
<td>396,765</td>
<td>287,183</td>
<td>142,057</td>
<td>41,142</td>
<td>$ 10,759</td>
</tr>
<tr>
<td>6/30/2008</td>
<td>$ 10,759,474</td>
<td>$ 2,900</td>
<td>397,417</td>
<td>238,334</td>
<td>144,240</td>
<td>42,509</td>
<td>$ 10,226</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>$ 10,341,611</td>
<td>$ 7,377</td>
<td>329,662</td>
<td>339,231</td>
<td>190,894</td>
<td>58,052</td>
<td>$ 9,341</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>$ 9,341,611</td>
<td>$ 230</td>
<td>326,082</td>
<td>280,612</td>
<td>208,885</td>
<td>60,304</td>
<td>$ 9,643</td>
</tr>
<tr>
<td>6/30/2012</td>
<td>$ 10,406,907</td>
<td>$ 200</td>
<td>317,448</td>
<td>379,730</td>
<td>223,279</td>
<td>59,994</td>
<td>$ 10,046</td>
</tr>
<tr>
<td>12/31/2012</td>
<td>$ 9,976,431</td>
<td>$ 200</td>
<td>91,705</td>
<td>180,320</td>
<td>93,753</td>
<td>29,997</td>
<td>$ 9,960</td>
</tr>
</tbody>
</table>

| Ending Balance    | $ 14,688,611      | $ 9,344,836 | $ 753,352            | $ 1,629,798      | $ 7,295,071  | $ 2,348,764            | $ 322,460      |
|                   | $ 322,460         | $ 937,349   | $ 9,497              | $ 4,465,741      | $ 425,289   | $ 374,865              | $ 276,903      |
APPENDIX 1
SPECIAL DISASTER REPORT

to

Governor Frank Keating

April 15, 1996

United Way

United Way of Metro Oklahoma City
1315 North Broadway Place
Oklahoma City, OK 73103
(405) 236-8441
Contents:

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INTRODUCTION

As we look back over this past year and reflect on the tragedy this community experienced, we can be proud of the accomplishments of our local non-profit agencies. They stepped forward to face challenges that no other community’s non-profit agencies have ever faced. They learned quickly—they knew what needed to be done, and did it. These agencies pulled themselves together as one, but worked independently to meet so many needs. As this community recovers, agencies are beginning to complete work that was started one year ago; however, there are many long term needs that still need to be met. These agencies will continue to be there to help.

The theme that United Way of Metro Oklahoma City has used over the past few years has become more meaningful since April 19, 1995 -- “Local Heroes Local Hope.” That is just what local organizations have done, helped local people and become heroes to so many.

The tragedy that Oklahomans faced one year ago will be engraved in our hearts and minds forever. The experience local non-profit agencies have been through is not something they want to pass on to other communities; however, if needed we have the knowledge to quickly link agencies with resources to meet their needs.

The outpouring of support from across the country immediately after the bombing has been tremendous and a bit overwhelming. That same support continues today as the travel fund is established to help victims, families and those affected by the bombing travel to Denver for the trial. Included in this report is a section detailing the Victims and Survivors’ Travel Service Fund.

Also included in this fifth Special Disaster Report are reports on:

I. Services Provided By:
   • United Way and United Way Partner Agencies
   • Other Local Organizations
   • Funds Associated with the Community Network System
   • Federal & State Agencies

II. Financial Recap of Dollars Committed for Disaster Relief Efforts

III. Resource Coordination Committee Report

IV. Project Heartland

V. Victims’ and Survivors’ Travel Services Fund

VI. Funds That Have Been Established To Help
Governor's Report
April 15, 1996

Part I Services

United Way and United Way Partner Agencies - $15,245,157.88

United Way of Metro Oklahoma City - $1,830,389.81

Since the April 19, 1995 bombing of the Alfred P. Murrah building, the United Way of Metro Oklahoma City has been actively supporting its partner agencies and our community in disaster relief/recovery efforts. The United Way made $100,000 available immediately to its partner agencies to cover extraordinary expenses associated with the tragedy.

The United Way has fielded hundreds of phone calls which have ranged from just listening, to directing individuals to funds that can assist them with needs, to forwarding numerous cards, letters and gifts that have been sent for the families of the victims of the bombing.

The United Way provided temporary office space for the downtown YMCA, Community Council and Central Appointments, which were all housed at the downtown YMCA building and displaced by the blast. Those agencies have since moved to other more permanent locations.

Dozens of disaster related meetings were held in conference rooms at United Way headquarters.

United Way hosted a meeting with financial advisors from local colleges, vo-techs and trade schools to determine financial needs of those affected by the bombing.

Representatives from the United Way also attended a meeting called by the governor to discuss and offer assistance to fall 1995 college bound students directly affected by the bombing.

Although the United Way of Metro Oklahoma City did not actively solicit contributions, it has received contributions from across the country. Through March 28, contributions have been received from corporations, schools, other United Ways, and individuals.
United Way provided support and recognition to rescue workers, including arranging for the Dallas Cowboys' visit to Oklahoma City, TV celebrity visits and the donation of more than 2,000 Dallas Cowboy baseball caps to local police officers and firefighters.

Representatives from United Way of Metro Oklahoma City continue to attend the weekly Resource Coordination Committee meetings. Members of the community present unmet needs of victims and survivors for assistance in matching financial resources to community needs.

The United Way’s Community Network Database tracks major funds that have been established to provide needs and services to disaster victims.

The United Way continues to play a central coordinating role in the disaster recovery efforts to fulfill this promise: This community will meet the legitimate needs, now and in the future, of the victims and survivors of this tragedy.

The monitoring of relief efforts, identification of emerging or unmet needs, and search for resources to meet those needs has become a major priority of United Way of Metro Oklahoma City.

United Way staff provided input for the Memorial Task Force.

United Way was asked by the Governor’s office to administer a fund for the Victims’ and Survivors’ Travel Service Fund. (More details of this fund can be found in Part V)

The United Way will dedicate a plaque in memory of the victims and survivors on April 19, 1996. This plaque will be placed on the outside of the United Way’s building, located eight blocks north of the Murrah Building.
Administration of Boatmen’s First National Bank Disaster Fund

United Way is acting as administrator for the Boatmen’s First National Bank Disaster Funds. Through those funds, 829 requests have been served totaling $1,132,450.81. Following are services that have been provided through the Boatmen’s Disaster Fund:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Dollars Spent</th>
<th>Requests Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funeral, burial and monument assistance</td>
<td>$241,709.70</td>
<td>82</td>
</tr>
<tr>
<td>Emergency maintenance assistance</td>
<td>124,964.08</td>
<td>134</td>
</tr>
<tr>
<td>Debt assistance</td>
<td>92,705.06</td>
<td>76</td>
</tr>
<tr>
<td>Health services assistance</td>
<td>22,157.63</td>
<td>12</td>
</tr>
<tr>
<td>Occupational assistance</td>
<td>61,542.64</td>
<td>18</td>
</tr>
<tr>
<td>Educational assistance</td>
<td>19,072.87</td>
<td>20</td>
</tr>
<tr>
<td>Counseling services assistance</td>
<td>98,950.00</td>
<td>418</td>
</tr>
<tr>
<td>Legal assistance</td>
<td>40,801.40</td>
<td>2</td>
</tr>
<tr>
<td>Psychological Recreational assistance</td>
<td>3,000.00</td>
<td>4</td>
</tr>
<tr>
<td>Agency disaster assistance</td>
<td>355,352.26</td>
<td>24</td>
</tr>
<tr>
<td>Auto expenses and deductible assistance</td>
<td>53,883.92</td>
<td>25</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>18,311.25</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,132,450.81</strong></td>
<td>829</td>
</tr>
</tbody>
</table>

In addition to the services provided to victims of the bombing, 24 non-profit agencies have received assistance for lost revenue due to the bombing. A total of $355,352.26 has been allocated to these 24 agencies.
Community Network Database

After the bombing of the Alfred P. Murrah Federal Building on April 19, 1995 the Governor's Office asked the United Way of Metro Oklahoma City to establish a computer database to track and provide information on victims, survivors and family members affected by the bombing.

On May 5, 1995, only fifteen days after the bombing, the Community Network Database at United Way was operational. It was designed to link federal, state, and non-profit agencies together through a central network. This effort was made possible because of the generous donation of IBM. They immediately sent 45 computers to United Way. After the computers arrived, IBM representatives loaded software and the database on each computer and began to deliver and setup the computer at agencies working with bombing related efforts.

Immediately after the Community Network was on line, volunteers from American Fidelity Group gave hundreds of hours entering information on victims, survivors and family members into the database. Funds were being established and contributions were coming in from across the country. People began to call requesting information on the individual funds, so volunteers began entering information on the different funds, addresses and the contact. The Funds Registry now has approximately 79 funds entered in the database. Requests about the various funds continue to come in, and the Funds Registry is a vital link for contributors.

The United Way's Community Network Database continues to track and provide current information on all those affected by the bombing. With the assistance of FEMA, a survey was sent to approximately 2,200 individuals. The survey asked for name, address, telephone number, name of spouse, children, affects of the bombing, location at time of blast, and other pertinent data. This information is needed to assist both victims and agencies with coordination of services. The information is also needed when the United Way or other organizations want to forward mail or packages. Addresses or telephone numbers of any individuals are not released but the offer to forward mail is made when possible.

The Oklahoma City Chamber of Commerce is also a part of the Network Database. They work with businesses affected by the bombing and assist in helping those locations with securing funding to rebuild in the downtown area.

A special report on the rescue efforts has been prepared by a documentation team with the City of Oklahoma City. United Way loaned three computers that are being used to track and record information needed for the report.
The Community Network Database is also being used to assist the Memorial Planning Committee. A computer and technical support is helping this committee to record the results of surveys sent to many communities. Surveys from victims, survivors and family members affected by the bombing are especially important. The information received from these surveys will give direction to the committee regarding an appropriate memorial to remember April 19, 1995.

Currently there are over 6,681 entries in the Community Network Database. This includes information on 6,445 individuals, 157 businesses and 79 funds.

The computers are at the following locations:

<table>
<thead>
<tr>
<th>American Red Cross</th>
<th>Latino Community Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Areawide Aging Agency</td>
<td>Legal Aid</td>
</tr>
<tr>
<td>Camp Fire Boys and Girls</td>
<td>Mental Health Association</td>
</tr>
<tr>
<td>Catholic Charities</td>
<td>Moore Youth &amp; Family Services</td>
</tr>
<tr>
<td>Celebrations Educational Preschool</td>
<td>Neighborhood Services Organization</td>
</tr>
<tr>
<td>Chamber of Commerce</td>
<td>Oklahoma City Community Foundation</td>
</tr>
<tr>
<td>Community Counseling Center</td>
<td>Oklahoma Clearinghouse</td>
</tr>
<tr>
<td>Community Network</td>
<td>Project Heartland</td>
</tr>
<tr>
<td>Community Network</td>
<td>Salvation Army</td>
</tr>
<tr>
<td>Community Network</td>
<td>Salvation Army</td>
</tr>
<tr>
<td>Community Network</td>
<td>Sunbeam Family Services</td>
</tr>
<tr>
<td>Community Network</td>
<td>Travelers Aid</td>
</tr>
<tr>
<td>Consumer Credit Counseling</td>
<td>Travelers Aid</td>
</tr>
<tr>
<td>CONTACT Telephone Helpline</td>
<td>U. S. Attorney’s Office</td>
</tr>
<tr>
<td>Daily Living Center</td>
<td>United Way of Metro Oklahoma City</td>
</tr>
<tr>
<td>District Attorney Council</td>
<td>United Way of Metro Oklahoma City</td>
</tr>
<tr>
<td>Documentation Team</td>
<td>United Way of Oklahoma City</td>
</tr>
<tr>
<td>Documentation Team</td>
<td>United Way of Metro Oklahoma City</td>
</tr>
<tr>
<td>Documentation Team</td>
<td>United Way of Norman</td>
</tr>
<tr>
<td>Eldercare Access Center</td>
<td>Urban League</td>
</tr>
<tr>
<td>Feed the Children</td>
<td>Variety Health Center</td>
</tr>
<tr>
<td>Goodwill Industries</td>
<td>Youth &amp; Family Services</td>
</tr>
<tr>
<td>Inter-Faith Network</td>
<td></td>
</tr>
</tbody>
</table>
UNITED WAY PARTNER AGENCIES

American Heart Association
Relief workers were supplied with 300 t-shirts, 300 pairs of sunglasses and 300 water bottles. Several staff members and Heart Association volunteers spent personal time volunteering for local agencies directly involved in relief efforts.

American Lung Association - $363.79
Lung safety kits were distributed free of charge to those involved in the clean up efforts in the downtown area.

American Red Cross - Cleveland County
The American Red Cross of Cleveland County assisted with one case in Cleveland County. They assisted in locating families involved in the bombing to give them donations, and have worked with the service center in Oklahoma County in trying to contact these families.

American Red Cross - $9,400,000.00 - (Includes $5,400,000 expended to date plus $4,000,000 budgeted for the next two years.)
Assistance to Families - Trained Red Cross caseworkers have assisted some 4,750 people with critically needed support. Support has included shelter, meals and emotional support in the days immediately following the explosion, and funds to pay for housing, groceries, other day to day living expenses, medical health expenses, adult and child care expenses, and funeral related expenses.

A two-year Red Cross Recovery Project is underway. Programs and services provided through the project include on-going direct financial assistance, a mental health hotline, outreach to clients and others to ensure that people are aware of the help that is available to them through the Red Cross, crisis counseling services and referrals for mental health therapy, advocacy help to clients seeking assistance from other agencies, disaster and emergency preparedness courses and training for volunteers and others to help the community be better prepared for future emergencies.

Caseworkers at the Recovery Center continue to meet with 10-15 clients each day to assess and meet their disaster-related recovery needs. Assistance rehabilitation, referrals and funding for counseling services, assistance with medical bills and financial assistance with lifestyle adjustments and recovery planning. Red Cross is working with other agencies who may have resources, and acts as an advocate on the client’s behalf.

Meals and Shelters - Red Cross has served more than 193,000 meals to victims of the disaster as well as anyone involved in the rescue and relief efforts. Red Cross volunteers worked with other agencies to prepare and serve hot meals 24 hours a day at the building site, the Myriad, the Family Outreach Center, at Red Cross shelters, service centers and other locations of the relief operation.
Two Red Cross shelters housed 68 people in the early days of the disaster response. Those people, and more than 340 others who were displaced by the bombing were placed in temporary housing. Many continue to receive assistance by the Red Cross with rent, meals and other necessary living expenses.

Disaster Mental and Physical Health - More than 20,000 people have received crisis counseling from 250 trained Red Cross mental health workers and volunteers. They continue to assist with expenses and arrangements for long-term mental health needs and therapy.

Thousands of Red Cross disaster volunteers and paid staff, along with rescue and relief workers have met with Red Cross mental health workers throughout the relief operation to debrief and discuss their experiences. A special Mental Health Hotline will be implemented nationwide, 24 hours a day during the two weeks surrounding the one year anniversary of the bombing. The hotline will provide a resource for individuals to acknowledge and discuss issues and feelings still unresolved or brought up by the anniversary.

Registered nurses and other certified medical personnel have cared for 1,046 people with minor injuries and health related needs. Assistance to the bombing victims has included replacement of eyeglasses, purchase of hearing aids for the many people who suffered hearing loss due to the explosion, dental procedures, and long-term medical and therapy expenses. These services continue to be provided through the Red Cross Recovery Center.

Volunteers - More than 9,500 Red Cross volunteers and paid staff have assisted with the relief efforts. 98 percent of these volunteers are from Oklahoma City. Volunteers worked around-the-clock in the weeks following the bombing to provide meals, supplies, crisis counseling, first aid, casework, clerical and computer assistance, help with telephone inquiries, transportation, security, communication and much more.

The Recovery Project continues to function with the support of dozens of dedicated volunteers who work every day. Many of these workers began volunteering immediately following the bombing and have continued over the months, some offering more than 1,000 hours of service.

Missing Persons - The Red Cross assisted in locating 1,568 families or individuals from Oklahoma City through the Disaster Welfare Inquiry process. Red Cross workers received inquiries from chapters across the nation, and reported information about the welfare of these individuals to the concerned family members.
Services Provided:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases Assisted Through Casework Services</td>
<td>1,292</td>
</tr>
<tr>
<td>Estimated People Assisted</td>
<td>4,750</td>
</tr>
<tr>
<td>Travel Allowance/Airline Tickets for Funerals/Emotional Support</td>
<td>283</td>
</tr>
<tr>
<td>Funerals Financed</td>
<td>102</td>
</tr>
<tr>
<td>People Sheltered or Provided Emergency Temporary Housing</td>
<td>421</td>
</tr>
<tr>
<td>Nights of Temporary Housing Provided</td>
<td>15,525</td>
</tr>
<tr>
<td>Meals Provided to Victims and Rescue and Relief Workers</td>
<td>193,869</td>
</tr>
<tr>
<td>People Receiving Assistance with Medical Needs</td>
<td>1,046</td>
</tr>
<tr>
<td>Disaster Welfare Inquiries Completed</td>
<td>1,568</td>
</tr>
<tr>
<td>People Receiving Crisis Counseling</td>
<td>20,658</td>
</tr>
<tr>
<td>Volunteers Assisting in Provision of Red Cross Disaster Relief</td>
<td>9,397</td>
</tr>
</tbody>
</table>

Areawide Aging Agency - $30,000.00
The needs of 60 elderly residents of Regency Towers are being monitored by Areawide Aging Agency. The agency secured funds to help move residents back into the Regency Towers.

Arthritis Foundation
The Arthritis Foundation, Oklahoma Chapter sponsored a free public forum titled, “Recognizing and Coping with Stress” on Wednesday, May 24, 1995, 7:00 p.m. at Presbyterian Hospital. Speakers included, Robert Hynd, M.D., rheumatologist, McBride Clinic and John Chaney, Ph.D., psychologist, assistant professor, Oklahoma State University and University of Oklahoma Health Sciences Center. Over 30 people attended the forum. Phone support was provided and over 250 “Coping with Stress” brochures were mailed people unable to attend the forum.

Associated Catholic Charities - $421,186.32
Associated Catholic Charities has provided the following services: burial costs, interfaith emergency grants, living expenses, social rehabilitation, property replacement, education, transportation, medical costs, and counseling fees.

Boy Scouts of America - Last Frontier Council
Exploring units with specialty in fire, medicine, emergency services and law enforcement were called to the scene immediately after the bombing to assist and continued to help as requested by the OKC Police and Fire Departments. Dozens of adult volunteers assisted the various agencies in post-disaster work, many working long shifts at the site.

Seventeen Scouting families were directly affected by the bombing. The local Cub Packs, Scout Troops, and Explorer Posts with which they were affiliated gave direct help to them.

Many Packs, Troops and Posts conducted fund-raisers to add to the disaster relief funds.
At the May 6, 1995 Scout Show, the Council conducted an opening ceremony that paid homage to those lost and recognized the efforts of the various agencies who had been instrumental in making the aftermath as painless as possible. They also recognized the local media for the professional manner in which they treated the incident. Banners of thanks for everyone to sign were displayed and then sent to the out-of-state rescue units who helped and were presented by Scouts from their local communities. Everyone who attended the Scout Show was given the opportunity to record their thoughts and feelings about the bombing.

Adult Scout volunteers have been encouraged to allow their youth members to vent their feelings and concerns about the disaster.

The Last Frontier Council served as a clearinghouse for other Scout Councils and their units from around the country in finding ways for them to help. A number of local units from various Councils sent money directly to the disaster relief or to the local Council to pass on to the relief fund.

Local Scouts corresponded with those Scouts from other parts of the county who wrote to the Mayor's Office.

The local unit planted 167 rose bushes at police stations, fire houses, and hospitals in the area. The bushes were donated by a small company in Kansas City.

Scouts and leaders helped the Neighborhood Alliance with a special thanks to all of the area's fire and police stations.

Scouts assisted with the Fourth of July parades in downtown Oklahoma City and in other communities. Local Law Enforcement Explorers were involved in helping get the parade units lined up and provided assistance with the State Office of Volunteerism float.

The Scout staff and volunteers helped to relocate some offices that were disrupted by the bombing, such as those of the State Chancellor of Higher Education, located in the Journal Record Building.

Since the disaster, the Last Frontier Council has encouraged 8,000 adult leaders and 20,000 youth members to help in any way possible to bombing related needs.

**Camp Fire Boys & Girls - $20,206.40**
Camp Fire Boys and Girls provided summer day camp and holiday camp (with extended hours) for 110 children at Camp DaKaNi during the summer of 1995. Activities included hiking, canoeing, fishing, singing, outdoor cooking, creative drama and arts and crafts. A licensed counselor was available full-time, to assist those who needed help.

Funds for these programs were provided by Camp Fire members across the United States who sent money they earned, or savings from their "piggy banks."
Additional funds were sent through Work/Family Directions to fund several family camps, a 2-day experience for families who were directly affected. Fifty-five people were served in this program, and at least one more family camp will be held this spring.

Camp Fire clubs and volunteers planted 20 redbud trees along the drive into Camp DaKaNi in memory of the 10 children who were killed, and one in honor of the search and rescue teams. A memorial plaque was placed in a heart-shaped garden.

Celebrations Educational Services
Celebrations is providing personal assistance and language translation for one Hispanic family whose father/husband was killed.

Community Council
The offices of Community Council, which was located in the YMCA building, were severely damaged by the bombing. The agency relocated to the Cameron Building at 2915 North Classen. Two employees from Community Council are involved in the memorial planning project.

Community Counseling Center - $391,080
Within two hours of the explosion, Community Counseling Center sent professionals to the triage center to offer mental health assistance on-site and at their main location on Hudson, just five blocks from the Federal Building. Many people found their way to Community Counseling Center’s building and received comfort, counseling and referral assistance.

Professionals from Community Counseling Center volunteered at the First Christian Church to assist with families who were awaiting word on their missing relatives. They also volunteered at relief sites set up by the American Red Cross and Salvation Army, and answered crisis calls on the hotline set up by the Oklahoma Department of Mental Health and Substance Abuse Services. They responded to calls for emergency counseling from social service agencies, shelters, public and private housing and area businesses. They honored requests from area businesses to talk with their employees about disasters, shock, grief and recovery. During the two months following the disaster, the staff of Community Counseling Center provided well over 1,000 hours of volunteer service for disaster victims, families and relief workers.

The executive director participated in a disaster response planning meeting with United Way, Oklahoma Department of Mental Health and Substance Abuse Services, and was appointed to coordinate the provision of mental health and counseling services by United Way agencies.

Community Counseling Center was asked to provide assessment of financial needs, counseling and referral for those who lost a family member in the disaster. Referrals originated from the American Red Cross, United Way and other relief agencies and
Community Counseling Center helped insure that financial assistance was provided in a timely manner and where it was truly needed. This project has since received funds from the Oklahoma City Community Foundation to include case management services for those injured and those who suffered property damage and other financial losses.

Five professional staff from Community Counseling Center have been assigned to Project Heartland, which was established to provide outreach and crisis counseling for disaster victims during the next year. Two additional professionals will provide outreach, crisis counseling and referral for the elderly affected by the bombing. These projects have been funded by the Federal Emergency Management Association.

During the eleven months since the bombing, 85 professional staff have provided 6,518 hours of service for 7,336 people affected by the disaster.

CONTACT Telephone Helpline - $2,000
Calls to the telephone helpline are normally 80-90 per day. Calls averaged 190 per day and went as high as 250 the week following the disaster. Volunteers answered calls relating to the disaster instantly and listened with empathy and compassion to survivors, rescue workers, members of the media and family members of victims. Additional phone lines were installed and calls were also answered by volunteers from CONTACT USA. As a United Way agency, they asked volunteers to participate in the process to obtain input regarding a memorial for the bombing. In anticipation of an increase in the number of calls during the anniversary of the disaster, additional phone lines are being staffed by volunteers.

Daily Living Center - $1,401.08
The Daily Living Center has provided food for a family who lost a husband in the disaster. They have also provided care for the mother of a victim, and care scholarships have been provided for two elderly clients whose families were impacted by the disaster.

Dale Rogers Training Center
Three employees from Dale Rogers Training Center volunteered during the disaster. Dale Rogers also donated all labor and costs for 200 awards, which were made by Prism Place, for volunteers who responded during the disaster.

Girl Scouts - Red Lands Council
Volunteers and staff who work directly with girls describe a continuing need to listen and to provide added support and stability as the children try to work through trauma. Additional training in working with children in the aftermath of April 19 will be provided to Girl Scout volunteer leaders during spring training. The Girl Scout CEO was appointed to the Mayor’s Memorial Task Force and is the facilitator of the subcommittee charged with the responsibility of gathering input from the Memorial Constituents groups. They will also be involved in the “Listen to the Children” interviews with children in conjunction with the OU Health Sciences Center project.
Goodwill Industries - $2,100.00
Provided counseling services, overflow warehouse space and assistance to victims of the bombing. The president of Goodwill is serving as the chairman of the Resource Coordination Committee described in Part III of this report.

John Keys Speech & Hearing Center - $2,700.00
Thirteen patients were seen for a hearing evaluation; it was recommended that all thirteen be reevaluated. Of the thirteen, twelve were scheduled for a reevaluation but did not show for their appointment and one was seen for the first time on April 5, 1996. Three additional patients were seen for otoacoustic emissions without a hearing evaluation; none of these patients are scheduled for reevaluation.

Latino Community Development Agency
Immediately following the bombing, the Latino Community Development Agency provided direct support to news media services from the Spanish-speaking world helping to document Oklahoma's story for millions of people in Mexico, Spain, Central and South America. The agency continues to document stories specifically related to Hispanic/Latino participation in the tragedy.

The Latino Community Development Agency (LCDA) has provided several professional staff members who are assigned to Project Heartland. This program was set up to provide outreach and crisis counseling services to persons of Hispanic/Latino descent affected by the disaster, and is funded by FEMA through the Oklahoma Department of Mental Health and Substance Abuse.

Bicultural staff backgrounds allow the LCDA to meet the diverse needs of clients and better ensures cultural competency. The specialized FEMA grant was awarded on the premise that social and mental health services normally provided to non-minority populations should also be available and accessible to minority populations. The LDCA Project Heartland has been instrumental in identifying individuals who were affected by the blast, but may not have sought help and may not have received needed services.

LCDA Project Heartland staff have provided hundreds of hours of direct services to persons adversely affected by the bombing tragedy. Services have included crisis counseling, support groups, and outreach and consultation to individuals who were emotionally or physically affected by the blast. In several instances, direct intervention was conducted on behalf of injured persons and victims’ survivors.

Trained professional staff members have conducted in-home visits and victims’ families, survivors, and rescuers and have listened and provided support for those who try to work through trauma and cope with grief associated with the disaster.

LCDA Heartland staff produced and distributed informational materials in Spanish and provided bilingual services to non-citizen, foreign national survivors. LCDA Heartland
staff hosted and briefed government officials from Central and South America and from other countries.

The executive director of the agency has served on the Memorial Task Force, and the project coordinator, who is a member of United Way’s board served at the Murrah Building site as a member of the Department of Defense recovery effort.

The LCDA Project Heartland continues to work with other mental health providers to ensure that victims and their families are receiving the support and assistance they need to cope with the emotional impact of the bombing. Continued home visits are expected to result in additional referrals. Staff are involved in planning appropriate responses to trigger events, such as the anniversary of the bombing and the trial. Spanish language memorial services are being planned, as well as recognition for volunteers who responded during the disaster. A special scholarship has been planned to pay tribute to a Hispanic community leader and volunteer.

Legal Aid of Western Oklahoma
Legal Aid staffed a legal booth at the Salvation Army from April 24 to May 2. They have provided legal services to 30 families affected by the bombing. Legal Aid also held training sessions for lawyers in the areas of insurance, estate/property, guardianship and public benefits.

Mental Health Association in Oklahoma County - $66,068
Because of several programs that were already in place, the Mental Health Association was in a position to respond immediately with the emotional recovery of our community. They worked in conjunction with other United Way agencies to coordinate services.

They Mental Health Association has provided the following services:

Immediately compiled a list of resources for disaster counseling and distributed them with disaster response brochures to other social service agencies as well as all media outlets.

Answered more than 2,500 calls for assistance or information including calls from those immediately affected, mental health professionals, media, volunteers and requests for materials.

Held a workshop and annual meeting for professionals and public on disaster response and recovery.

Sponsored free educational program for public, “Disaster: The Healing Process.”

Provided free anxiety and post-traumatic stress screening in conjunction with their annual depression screening that was held last October.
In cooperation with the Allied Mental Health Recovery Team, wrote a 15-page booklet entitled, "Restoring Health to the Heartland - A Guide to Recovery." The comprehensive book included symptoms and common stress that can follow a disaster, post-traumatic stress disorder, the healing process and how and where to get help. The booklet included a special section on children, adolescents and the elderly. Printing and production of the 150,000 books were generously underwritten by Eli Lilly & Co.

With funding and cooperation from the Red Cross, the Mental Health Association's Sunbridge low-cost counseling program is providing long-term disaster counseling to those affected by the bombing who cannot find help elsewhere. Funds to help with this project have also been received from Our Lord's Community Church and B'nai B'rith. The program is designed to continue for approximately two years.

The Mental Health Association has been active part of the community coalition to help with recovery efforts.

A fourteen member Allied Mental Health Recovery Team was formed immediately to help with emotional recovery in our community. The primary focus dealt with providing citizens with mental health education and to implement a training program to help individual cope with the disaster.

The Mental Health Association is working with the Oklahoma City Bombing Disaster Long-Term Recovery Focus Group, composed of social service agencies in Oklahoma City, to alleviate any physical, mental or monetary difficulties brought about because of the bombing.

**Moore Youth & Family Services - $16,975.00**
Moore Youth and Family Services provided 55 hours of training, 65 hours of service coordination, 38.5 hours of notification, 71.5 hours of debriefing and 49.5 hours of counseling/therapy. These services were provided to meet the needs of victims, victims families and associates, disaster workers, volunteers and professionals to cope with the trauma associated with the disaster.

**Neighborhood Services Organization (NSO) - $250.00**
Provided nursing staff on the day of the bombing at the site and at St. Anthony Hospital. Clinic managers assisted in delivering supplies from the hospitals to the site. NSO has also provided counseling to 30 individuals, and housing for two displaced residents from the YMCA.

**Oklahoma Foundation for the Disabled**
Oklahoma Foundation for the Disabled offered use of their building to businesses displaced as a result of the tragedy. Office partitions were donated for businesses to set up temporary offices. One staff from the Foundation donated twenty hours of community service to the Oklahoma Department of Mental Health and Substance Abuse Services' 24 hour hotline.
Oklahoma Halfway House
Oklahoma Halfway House sent blankets and pillows the first night of the disaster. A parolee who was living at the Regency Tower at the time of the bombing was recently admitted to the Halfway House.

Oklahoma Medical Research Foundation (OMRF)
Oklahoma Medical Research Foundation provided the following services:
• Backup laboratory support for the Goldman Blood Institute in testing blood samples.
• Provision of volunteers, including security officers, auxiliary deputy sheriffs, and related personnel for the immediate disaster and the two weeks following.
• Volunteers of other types, both medical and social, to assist in immediate and long-term care for those involved.

Parents Assistance Center (PAC)
Parents Assistance Center was temporarily closed due to their building being damaged and being located within the crime zone. Construction crews worked diligently with the staff at Parents Assistance Center to see that the offices were reopened by May 1st. Many of PAC’s employees and board members volunteered for various services during the disaster. Their employees received on-site debriefings in order to further healing and equip them in helping PAC clients deal with their fear and grief.

Retired Senior Volunteer Program (RSVP)
The Retired Senior Volunteer Program (RSVP) of Oklahoma County provided volunteer support including: made ribbons at the request of First Lady Cathy Keating, repaired Central High Museum after it was damaged by the bombing, answered hotline at local hospitals, data entry, preparation of meals for rescue workers, counseling services for victims and their families, secured donations/food for victims’ relatives, and distributed food/donations to victims’ relatives. Approximately 50 Retired Senior Volunteers averaged 1,000 hours of service in the disaster relief efforts.

In addition, two RSVP programs, one in Arkansas, the other in Florida, sent contributions to benefit two elderly victims of the disaster. With the help of Areawide Aging Agency, Catholic Charities and OK County Training and General Assistance, RSVP channeled the funds to two elderly residents of the Regency Tower.

Salvation Army - $2,950,000
The Salvation Army continues to administer disaster relief services. Salvation Army were on site immediately following the explosion setting up a serving canteen within 30 minutes. By noon there were four canteens on site, with the total reaching six by that afternoon. Canteens provided 24 hour a day service throughout the 16 day rescue effort, including mini-canteen in the “pit” area directly in front of the Murrah Building. Following implosion of the building, federal law enforcement officials requested a canteen which remained in place through the second week of June.
Service provided through the canteens included the following:

104,453 meals
104,289 other items (other items included, for example: work gloves, latex gloves, knee pads, miner’s lights, thermal underwear, ponchos, coats, foot protection for dogs, shovels, etc.)
1,255 volunteers gave 67,234 hours of service

During the first phase of the disaster, the Salvation Army, through local dealers, provided an RV for official briefings in the media area and another RV for the National Guard company assigned to the First Christian Church.

The Salvation Army established an assistance center, which provided space for Travelers Aid, who had lost access to their office. Through this assistance center and the successor center at Shepherd Mall, the following assistance was provided through December:

<table>
<thead>
<tr>
<th>Service</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cases (family or single individual)</td>
<td>903</td>
</tr>
<tr>
<td>Food and meal vouchers provided</td>
<td>2,473</td>
</tr>
<tr>
<td>Prescriptions</td>
<td>116</td>
</tr>
<tr>
<td>Local transportation (trips)</td>
<td>2,473</td>
</tr>
<tr>
<td>Funerals assisted</td>
<td>16</td>
</tr>
<tr>
<td>Out of town funeral travel (individuals)</td>
<td>110</td>
</tr>
<tr>
<td>Other out of town transportation</td>
<td>118</td>
</tr>
<tr>
<td>Utility and rent assistance</td>
<td>2,082</td>
</tr>
<tr>
<td>Relocation (families)</td>
<td>5</td>
</tr>
<tr>
<td>Nights lodging supplied</td>
<td>7,389</td>
</tr>
<tr>
<td>Other services</td>
<td>750</td>
</tr>
<tr>
<td>Christmas assistance</td>
<td>100</td>
</tr>
<tr>
<td>Clothing vouchers</td>
<td>576</td>
</tr>
</tbody>
</table>

Today, The Salvation Army continues its relief services with five full-time staff members dedicated to meeting the long term needs of over 171 families the blast, including families of victims and survivors, as well as rescue workers still dealing with injuries and emotional trauma. Financial assistance has included medical expenses no longer covered by insurance, utilities, food and mortgage/rent payments. Support is also provided in the form of ongoing grief counseling and an upcoming all-expenses-paid weekend “Nature Retreat” for survivors and their families at a Salvation Army camp following the anniversary.

Special Care, Inc.
Special Care offered the use of their facility for meeting/office space, classroom space for children and teachers from the YMCA daycare, and made room in the facility for children from the YMCA and America’s Kids Daycare. Special Care staff volunteered in various capacities by giving blood, donating time and money, and participating in the Resource Coordinating Committee.
Currently, Special Care is providing speech therapy services, early intervention, and childcare to one of the children from America’s Kids Daycare who was severely injured.

**Sunbeam Family Services - $26,500.00**
Sunbeam Family Services has provided professional mental health services (group trauma debriefing, and individual or family counseling) for 522 people, and will continue on a long-term basis as counseling services are needed. Sunbeam staff also donated blood, volunteered for a telephone hotline, and served as Red Cross and Feed the Children volunteers. Staff also met with counseling coordination committees. Foster children collected food and clothing for those who were displaced. Sunbeam’s Art Therapist provided training on “creating a safe place,” assisting bereaved and traumatized children affected by the bombing, from 34 mental health professionals, school counselors and teachers for the Project Heartland/FEMA Recovery Counseling Program.

**Travelers Aid - $79,308.08**
Travelers Aid assisted with insurance deductibles, school clothes and supplies, psychiatric counseling, mortgage payments, school lunches, utilities, credit card pay off, and payments, auto insurance payments, prescriptions, life insurance, auto tag and title, doctor bills, food, general needs, bus tokens, hospital bills, housing expenses, child care, and general needs for 201 individuals.

**Tri-City Youth and Family Center**
Tri-City Youth and Family Center has provided counselors at the Family Support Center. Counselors assisted with debriefing and staffed a hotline. They continue to provide counseling for two families. Students at one area school received counseling due to a bombing related suicide and are providing on-going contacts with staff and students. No funds were sought from any source--this is their mission to area residents.

**Urban League of Greater Oklahoma City - $3,345.00**
The Urban League of Greater Oklahoma City provided financial assistance for utilities, food, clothing, support for families of victims, relocation, and educational assistance for children of victims. The total number assisted was nine.

Counseling services were provided for victims and those closely affected by the disaster. Fifteen volunteers received approximately 45 calls and 15 personal visits were made. Ten referrals were made to professional counseling services and one person was counseled at the Urban League.

The Minority Business Development Center, which is operated by the Urban League, is assisting minority businesses in obtaining disaster assistance. From April 19, 1995 until the close of the project (February 28, 1996), the Minority Business Development Center provided 30 initial consultations and served 19 clients.
Variety Health Center
Variety Health Center's building sustained approximately $10,000 in damages. This amount was fully reimbursed by their insurance company. However, the facility was closed for six days and unable to see patients during that time.

YMCA
The downtown branch of the YMCA of Greater Oklahoma City, which housed the organization's corporate offices, a day care (child development) center, health and fitness center, men's residence and offices of the Community Council of Central Oklahoma, was severally damaged by the bombing. Since that time, the organization's corporate offices have been relocated to Leadership Square.

The Child Development Center, after first being relocated to the Eastside Branch on Martin Luther King Boulevard near Northeast 39th Street, has moved to the First Presbyterian Church on Northwest 25th Street near Western. The center will remain at this location until a new Child Development Center is built in the downtown area.

The YMCA leased a building located on the northwest corner of Couch and Walker for the purpose of continuing to provide health and fitness services to members in the downtown area. Remodeling of the building has been completed and the facility is now open.

A market research study to assist with decisions related to the site and facility services that will best meet the needs of the downtown area both now and in the future was conducted and the results were presented to the YMCA Board of Directors on November 30. At the March meeting of the board, it was decided that all of the facilities that were previously a part of the downtown branch will be permanently relocated to the site formerly occupied by the Oklahoma Publishing Company east of Broadway between 4th and 5th. The historic OPUBCO building on the corner of 4th and Broadway will be restored to house the YMCA corporate offices, as well as other non-profit organizations. The buildings east of the historic structure will be demolished and the YMCA will build a new Downtown Branch and a new Child Development Center. Work is scheduled to begin within the next few months with all three projects scheduled for completion by the end of 1997.

Youth & Family Services, Inc.
Forty-four people have received 60 hours of individual counseling. Youth & Family Services collaborated with local mental health agencies and hosted two community crisis debriefings. One individual participated in a debriefing session for two hours. Two counselors are continuing counseling to one client each for issues related to the bombing.

YWCA
The YWCA provided staff assistance for counseling immediately after the disaster.
OTHER LOCAL ORGANIZATIONS

Oklahoma City Community Foundation - $10,377,187.49

The Oklahoma City Disaster Relief Fund, Inc., which serves as the Survivor’s Fund Clearing House for the Governor’s Victims and Family Relief Fund, the Mayor’s Disaster Relief Fund and several other funds, has provided assistance and earmarked commitments through March 31, 1996 in the categories shown below:

<table>
<thead>
<tr>
<th>Funds Established</th>
<th>Contributions</th>
<th>Distributions</th>
<th>Committed Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victims Assistance</td>
<td>$3,956,576.08</td>
<td>$1,611,192.78</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>6,425,915.46</td>
<td>145,812.93</td>
<td>6,472,769.82</td>
</tr>
<tr>
<td>Community Recovery and Coordination Funds</td>
<td>812,435.76</td>
<td>155,721.57</td>
<td>696,714.19</td>
</tr>
<tr>
<td>Memorial Funds</td>
<td>97,623.81</td>
<td>7,704.20</td>
<td>89,939.81</td>
</tr>
<tr>
<td>Day Care Center Fund</td>
<td>20,320.39</td>
<td></td>
<td>20,320.39</td>
</tr>
<tr>
<td>Long-Term Medical</td>
<td></td>
<td></td>
<td>470,000.00</td>
</tr>
<tr>
<td>Retaining</td>
<td></td>
<td></td>
<td>187,000.00</td>
</tr>
<tr>
<td>Mental Health Funds</td>
<td>247,032.00</td>
<td>44,657.51</td>
<td>475,374.49</td>
</tr>
</tbody>
</table>

$11,559,903.50 $1,965,168.99 $8,412,018.50

Distribution Detail:

- Auto losses $285,573.60
- Property losses 81,352.82
- Medical expenses 315,094.54
- Travel expenses 3,258.79
- Living expenses 161,930.38
- Housing expenses 618,092.03
- Funeral expenses 42,754.69
- Rental car reimbursement 23,444.00
- Survivor’s educational expenses 187,234.46
- Mental health/counseling expenses 132,927.91
- Case management 59,828.33
- Coordinator for small business relief effort 40,000.00
- Funds committed for specific purposes 8,412,018.50
- Memorial expenses 13,677.44

Total distributions and commitments $10,377,187.49

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Feed the Children - $2,405,183.00

Feed the Children’s staff has provided assistance to individuals and families injured and impacted by the bombing, assistance to the search and rescue teams, law enforcement and security forces and other agencies. Thousands of Feed the Children personnel assisted with rescue efforts.

During the rescue:
- Food for 130,000 meals
- Beverages and snack foods for law enforcement and rescue teams
- Supervision of more than 5,000 volunteers who gave over 26,000 hours of volunteer labor
- Safety equipment, tools, clothing and water to rescue teams

Since the rescue:
- Food, clothing and personal hygiene items to displaced persons
- Shuttle van services at Shepherd Mall
- Computer support to the Murrah Crime Victims Compensation Fund of the Oklahoma District Attorney's Council
- Computer support to America's Kids Daycare staff
- Safety equipment, food and water to investigators and work crews

Provided direct assistance to over 1,600 individuals and families to cover:
- Lost wages, utility payments, auto repair and replacement, insurance deductibles, rent and mortgage payments, educational grants, replacement of personal property, food and medical expenses
- Assisted moving families from the Regency Towers
- Paid for all or part of the funeral expenses for 49 individuals
- Sent 34 people to Christian counseling in Florida and Colorado
- Assisted in the replacement of furniture and personal belongings for residents of the Regency Tower Apartments.

In the future:
Committed to assisting with present and future needs of the victims of the disaster.
# FUNDS LISTED AS PART OF THE COMMUNITY NETWORK SYSTEM

<table>
<thead>
<tr>
<th>FUND</th>
<th>AMOUNT DISBURSED</th>
<th>NUMBER SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Legion of Oklahoma</td>
<td>$46,546.00</td>
<td>31</td>
</tr>
<tr>
<td>APM Federal Building Disaster Relief Fund</td>
<td>Through OKC Community Foundation</td>
<td></td>
</tr>
<tr>
<td>Baptist General Convention of Oklahoma</td>
<td>$497,951.96</td>
<td>244</td>
</tr>
<tr>
<td>Camp Funnybone</td>
<td>$86,916.00</td>
<td>438</td>
</tr>
<tr>
<td>Children’s Relief Fund</td>
<td>Through OKC Community Foundation</td>
<td></td>
</tr>
<tr>
<td>Dana &amp; Christopher Cooper Family Relief Fund</td>
<td>Funds expended</td>
<td></td>
</tr>
<tr>
<td>Disaster Relief Fund (Life Inc.)</td>
<td>$3,105.00</td>
<td>28</td>
</tr>
<tr>
<td>FEEA Oklahoma Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Assistance</td>
<td>$148,361.90</td>
<td>179</td>
</tr>
<tr>
<td>Scholarship</td>
<td>$38,589.48</td>
<td>10</td>
</tr>
<tr>
<td>Good Neighbor OKC Relief Fund</td>
<td>$20,073.40</td>
<td>19</td>
</tr>
<tr>
<td>Hospitals Helping the Heartland</td>
<td>$86,206.60</td>
<td>35</td>
</tr>
<tr>
<td>HUD Victims &amp; Families Relief Fund</td>
<td>Fund closed and forwarded to HUD OK Fund</td>
<td></td>
</tr>
<tr>
<td>In His Name Relief Fund</td>
<td>$16,152.31</td>
<td>25</td>
</tr>
<tr>
<td>Interfaith Disaster Recovery</td>
<td>$120,669.00</td>
<td>328</td>
</tr>
<tr>
<td>Junior League Disaster Fund</td>
<td>$68,052.85</td>
<td>21</td>
</tr>
<tr>
<td>Lions District 3-H Disaster Fund</td>
<td>$211,165.84</td>
<td>144</td>
</tr>
<tr>
<td>Lutheran Disaster Response</td>
<td>$371,000.00</td>
<td>6,940</td>
</tr>
<tr>
<td>Gilbert Martinez Family Relief Fund</td>
<td>Funds expended</td>
<td></td>
</tr>
<tr>
<td>Mayflower Congregational Church</td>
<td>$35,000.00</td>
<td>9</td>
</tr>
<tr>
<td>Murrah Building Scholarship Fund</td>
<td>$4,000.00</td>
<td>19</td>
</tr>
<tr>
<td>Murrah Crime Victims Compensation Fund</td>
<td>$220,838.55</td>
<td>65</td>
</tr>
<tr>
<td>Oklahoma Business Relief Fund</td>
<td>$117,853.95</td>
<td>74</td>
</tr>
<tr>
<td>Oklahoma City Victims Fund</td>
<td>Transferred to the OKC Community Foundation</td>
<td></td>
</tr>
<tr>
<td>Oklahoma Oil &amp; Gas Industry Trust</td>
<td>Transferred to OKC Community Foundation</td>
<td></td>
</tr>
<tr>
<td>OK NARFE Disaster Relief Fund</td>
<td>$115,337.47</td>
<td></td>
</tr>
<tr>
<td>OKC Rotary Foundation Disaster Relief Fund</td>
<td>$176,979.44</td>
<td>76</td>
</tr>
</tbody>
</table>

Grand Total                                    | $2,384,799.75    | 8,685
FEDERAL AGENCIES

FEMA - $11,315,084.90

Federal and State Assistance Programs:

FEMA Disaster Housing Program assisted individuals and families displaced as the result of the disaster. The largest group affected were those living in the downtown YMCA and the Regency Tower Apartments. They served 574 clients providing $833,351.00 from funds provided by the President’s Disaster Fund.

FEMA/Oklahoma Department of Emergency Management - Individual & Family Grant Program (administered by the Oklahoma Department of Human Services): Assisted individuals and families who cannot afford to repay a loan. Grants are made on a 75 percent federal, 25 percent state cost share. The maximum grant available for applicants under this disaster is $12,600.00 Through this program grants totaling $428,319.90 (federal = $321,239.92 state = $107,079.98) have been provided to 514 clients.

FEMA Crisis Counseling Program - FEMA provided funds to the Department of Mental Health and Substance Abuse for the immediate crisis counseling program in the amount of $754,053. These funds started Project Heartland.

In October, FEMA granted a request from the State of Oklahoma to fund the Crisis Counseling program, through the Center for Mental Health Services in the amount of a $3,371,369. This continues to fund Project Heartland, as well as the Oklahoma City Public School Crisis Counseling Program and a clinical psychologist for the Oklahoma University Psychiatry Department.

Project Heartland clients assisted from 6/1/95 to 2/29/96 are 64,542. This includes individual or group counseling, support group services, community outreach and public education venues.

FEMA/Oklahoma Department of Civil Emergency Management Public Assistance Funding

FEMA/State Public Assistance Programs are provided for local governments, state agencies and certain private non-profit organizations which serve the public. FEMA and the State of Oklahoma provide grant assistance for emergency work and the repair or replacement of public facilities damaged by disaster events, including debris removal and other essential actions taken which must be performed immediately in order to save lives, protect public health and safety and protect property.
FEMA provides funds through the Oklahoma Department of Civil Emergency Management for each entity’s eligible expenses for the April 19th bombing. There are two separate declarations, one for the emergency declared by the president on April 19, and one for disaster recovery which was declared by the president on April 26.

Through the emergency declaration 3115-EM to cover the immediate emergency needs, signed on April 19th by President Clinton total 3115-EM obligations to date are $3,873,008 - 15 applicants.

Disaster Declaration FEMA-1048-DR-OK covers all public assistance which does not have to do with emergency work on a 75 percent federal 25 percent state cost share basis and all emergency work after May 5th at 100 percent federal basis. Total FEMA-1048-DR-OK obligations to date are $394,984 - 16 applicants.

Through the Resource Coordination Committee funds totaling $1,660,000.00 have been provided to 266 clients.

US Small Business Administration Disaster Loan Program - $7,273,300.00

Provides low interest loans to individuals, families and business who have suffered losses as the result of the disaster. Loans are made available in three categories: 1) Home Disaster Loans to homeowners or renters; 2) Business Physical Disaster Loans to businesses; and 3) Economic Injury Disaster Loans for working capital to small businesses and small agricultural cooperatives.

Loan applications approved:

<table>
<thead>
<tr>
<th>Category</th>
<th>Clients Served</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home &amp; Personal Property</td>
<td>71</td>
<td>$452,700.00</td>
</tr>
<tr>
<td>Business</td>
<td>46</td>
<td>$5,687,100.00</td>
</tr>
<tr>
<td>Economic Injury Disaster Loans</td>
<td>46</td>
<td>$1,133,500.00</td>
</tr>
</tbody>
</table>

Total SBA Loans $7,273,300.00
PART II

FINANCIAL RECAP OF DOLLARS SPENT/COMMITTED
(includes only amounts that could be verified to date)
March 28, 1996

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Lung Association</td>
<td>$ 363.79</td>
</tr>
<tr>
<td>American Red Cross</td>
<td>9,400,000.00</td>
</tr>
<tr>
<td>Areawide Aging Agency</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Associated Catholic Charities</td>
<td>421,186.32</td>
</tr>
<tr>
<td>Camp Fire Boys and Girls</td>
<td>20,206.40</td>
</tr>
<tr>
<td>Community Counseling Center</td>
<td>391,080.00</td>
</tr>
<tr>
<td>CONTACT</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Daily Living Center</td>
<td>1,401.08</td>
</tr>
<tr>
<td>Eldercare</td>
<td>1,284.40</td>
</tr>
<tr>
<td>Goodwill</td>
<td>2,100.00</td>
</tr>
<tr>
<td>John Keys Speech and Hearing</td>
<td>2,700.00</td>
</tr>
<tr>
<td>Mental Health Association</td>
<td>66,068.00</td>
</tr>
<tr>
<td>Moore Youth &amp; Family Services</td>
<td>16,975.00</td>
</tr>
<tr>
<td>Neighborhood Services Organization</td>
<td>250.00</td>
</tr>
<tr>
<td>Salvation Army</td>
<td>2,950,000.00</td>
</tr>
<tr>
<td>Sunbeam Family Services</td>
<td>26,500.00</td>
</tr>
<tr>
<td>Travelers Aid</td>
<td>79,308.08</td>
</tr>
<tr>
<td>Urban League of Greater OKC</td>
<td>3,345.00</td>
</tr>
<tr>
<td>United Way of Metro Oklahoma City</td>
<td>1,830,389.81</td>
</tr>
</tbody>
</table>

United Way and Partner Agencies                    $15,245,157.88
Oklahoma City Community Foundation                 $10,377,187.49
Feed the Children                                  $2,405,183.00
Other Funds Listed with the Community Network      $2,384,799.75
Total from non-profit and private funds            $30,412,328.12

FEMA                                                $11,315,084.90
Small Business Administration Loans                $7,273,300.00
Total from Federal organizations                   $18,588,384.90

Grand Total                                        $49,000,713.02

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PART III

RESOURCE COORDINATION COMMITTEE

The Resource Coordination Committee was formed shortly after April 19, 1995 by a group of individuals who are familiar with disaster relief. Initially, representatives included United Way, Salvation Army, American Red Cross and FEMA. Other groups were asked to participate including the Oklahoma City Community Foundation, Feed the Children and the Governor’s and Mayor’s offices. FEMA was most helpful by providing advice and suggestions to the group, since such committees have been formed in conjunction with other disasters.

The primary purpose of the committee is to bring organizations together who can contribute money, manpower, or materials to serve unmet needs of disaster survivors. It was first called the Unmet Needs Committee; however, the name was later changed to the Resource Coordination Committee.

Dan Kurtenbach, president of Goodwill Industries, was asked to chair the committee. Mr. Kurtenbach is well respected for his managerial skills. Goodwill Industries had no substantial damage from the bombing; however, they did have people in the Murrah building and were responsible for cleaning the building.

The Resource Coordination Committee is a working group composed of agency representatives with decision making authority. Each agency provides services or resources to families recovering from the affects of the disaster. The committee meets every Friday afternoon to assess and verify needs.

At the request of several committee members, Mr. Kurtenbach developed a statement of “Principles of Guarding the Public Trust” which was later adopted by the committee and is very helpful in keeping them focused on the reason for being in existence.

To date, the Resource Coordination Committee has spent over $1.66 million in 40 meetings and have reviewed 372 cases, of which 266 are unduplicated. The process for reviewing is quite interesting. A case manager presents cases to approximately 55 people. Agents of funding sources then ask questions regarding the case to determine if they can meet some or all of the needs. Depending on the case, Mr. Kurtenbach will address the group and ask for assistance, and in nearly all cases assistance is quickly received.

The committee has educated themselves regarding IRS requirements, survivors needs, community resources and, in particular, the varied organizations that serve the needs of the community. This committee is a dynamic, in that funders will come to the meeting, exhaust their funds and leave. As one funding source leaves, it is generally replaced by another funding source; it seems to have a means of rejuvenating itself when necessary. Not all funds can address all needs and not all needs are perceived the same, giving the committee an advantage over an individual organization looking at needs. The Resource
Coordination Committee allows 25 to 30 funding sources each week to see and hear the issues and address them from their constituents' perspective.

The ownership of the committee is lodged with all the agencies represented. Any agency with case management responsibilities and/or resources can serve on the committee. All commitments of resources by represented agencies are voluntary and based on the agencies individual criteria for services.

The Resource Coordination Committee gives each survivor a number of advantages: 1) access to virtually all agencies simultaneously; 2) each survivor has the benefit of collective, creative, problem solving skills of many experienced managers; and 3) most importantly, the survivor benefits from quick decision making and commitment from agencies providing the services and resources.

Each agency represented also experiences a number of advantages: 1) it expands each agency's opportunity to offer assistance to survivors they may not have otherwise encountered; 2) the committee approach makes possible the best use of each agency's services and resources matching them with survivors in need; 3) the committee opens access for each agency's clients to the full range of resources available in the community; 4) it provides a system for future interaction beyond the disaster; and 5) the committee member exchange will allow agencies to share information about survivors they are serving and avoid duplication.

The Resource Coordination Committee is an unselfish, unbiased, and boundless group of individuals representing a number of agencies whose sole purpose is to meet the unmet needs of survivors. In other environments these agencies may be competing with each other for fund raising activities or for programs; but in this environment the agencies are working with the same mission, the same passion, and the same vision. It is something that neither seeks nor needs community recognition, but is deserving of both.
Part IV

PROJECT HEARTLAND

Project Heartland was established in June, 1995 by the State Mental Health Department in partnership with churches and community agencies. Through a two year grant from FEMA, the center has been offering free counseling and other support services to people affected by the bombing. These services include support groups, individual and crisis counseling to over 3,000 people and outreach to 36 target populations. Consultations and education, including disaster related training sessions, have been provided to over 1,200 people.
PART V

Victims' and Survivors' Travel Service Fund

At a press conference held in February, Governor Frank Keating announced that he had asked United Way to establish and administer a Victims' and Survivors' Travel Service Fund to assist victims, families and survivors with travel expenses to attend the trial in Denver.

A committee has been formed to help establish criteria, determine eligibility, review requests and disburse funds. The committee has twelve members representing families and victims, non-profit organizations and government agencies. Dr. H. C. McClure, director, FAA-Mike Monroney Aeronautical Center, is chairman of the committee. Also serving on the committee are; Gwen Allen, Project Heartland; Nancy Anthony, Oklahoma City Community Foundation; Ed Eckenstein, Water Resources Board; Ben Frizzell, Oklahoma Department of Civil Emergency; Pat Froehle, Associated Catholic Charities; Jeanette King, United Way of Metro Oklahoma City; Diane Leonard, family member of bombing victim Donald Leonard; Tim Sartorius, American Red Cross; Mallory Van Horn, Office of the First Lady; and Judy Walker, family member of bombing victim Robert Walker. Serving as an advisor to the committee is K. Lynn Anderson from the U.S. Attorney’s Office.

Some of the issues the committee is dealing with regarding travel to Denver are availability of courtroom seating, travel, lodging and meal costs, funding and resources available and coordination with agency counterparts in Denver. United Way has been in contact with the Mile High United Way in Denver concerning resources available in Denver and will continue to coordinate efforts of both United Way.

At the press conference, checks totaling more than $70,000 were presented to the governor from Conoco and KTNT for travel assistance. A representative from the Department of Justice announced that Attorney General Janet Reno was taking steps to make $200,000 available through the Justice Department's Office for Victims of Crime. Ms. Reno stated that "We want to be sure that victims can exercise their right to attend court proceedings. In doing that, we carry out the Justice Department’s Responsibilities under the Victims and Crime Act."

United Way's board chairman, Dr. Bill Thurman, stated that "United Way had been involved with a number of organizations that have provided a variety of services since the bombing. We are proud to facilitate the travel fund and help to develop a strong network of people and organizations to complete the task."

The Victims' and Survivors' Travel Service Fund Committee has met twice since the announcement in February and working diligently to meet the needs of the victims families and the survivors.
PART VI

OTHER FUNDS LISTED WITH COMMUNITY NETWORK

<table>
<thead>
<tr>
<th>Name of Fund</th>
<th>Telephone</th>
<th>Funds to be used for</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAL Oklahoma Disaster Relief Fund</td>
<td>(405) 942-0159</td>
<td>Financial assistance for bombing disaster victims</td>
</tr>
<tr>
<td>4405 NW 17th Street</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73107-3621</td>
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<tr>
<td>Aaron &amp; Elijah Coverdale Memorial Fund</td>
<td>(405) 842-1389</td>
<td></td>
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<tr>
<td>2100 NW 114</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73120</td>
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<tr>
<td>Adopt-A-Family for OK Disaster Victims</td>
<td>(405) 270-1000</td>
<td>Direct and immediate source of financial resources for</td>
</tr>
<tr>
<td>PO Box 26788</td>
<td></td>
<td>the children of their colleagues. This was the initial</td>
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<tr>
<td>Oklahoma City, OK 73126</td>
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<td>reason for the fund.</td>
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<tr>
<td>AFSA Oklahoma City Disaster Fund</td>
<td>(405) 733-7681</td>
<td>Support of victims and families, Tinker AFB personnel.</td>
</tr>
<tr>
<td>PO Box 45649</td>
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<td>Secondly personnel of other military services. Remaining</td>
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<tr>
<td>Tinker AFB, OK 73145</td>
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<td>funds will be disposed as per membership vote.</td>
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<tr>
<td>Ambuc Fund for OKC Disaster Relief</td>
<td>(405) 348-6443</td>
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<tr>
<td>PO Box 1336</td>
<td></td>
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<tr>
<td>Edmond, OK 73083</td>
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<tr>
<td>Antonio Cooper Jr. Family</td>
<td></td>
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<tr>
<td>PO Box 82189</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73148</td>
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<tr>
<td>APM Federal Building Disaster Relief Fund</td>
<td>(405) 840-6700</td>
<td>Immediate needs of bombing victims and families</td>
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<tr>
<td>PO Box 1255</td>
<td></td>
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<td>Oklahoma City, OK 73101</td>
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<tr>
<td>Aren Almon Fund</td>
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<tr>
<td>PO Box 656</td>
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<td>PO Box 25189</td>
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<td>Oklahoma City, OK 73125</td>
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<td>Baptist General Convention of OK</td>
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<tr>
<td>BOK-Clear Channel Disaster Relief Fund</td>
<td>(405) 272-2000</td>
<td>The American Red Cross</td>
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<tr>
<td>PO Box 960138</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73196</td>
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<tr>
<td>Calvin &amp; Peola Battle Memorial Fund</td>
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<tr>
<td>Camp Fire Boys &amp; Girls</td>
<td>(405) 478-5646</td>
<td>Family camp, day camp, summer holiday camp for those</td>
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<tr>
<td>3309 E. Hefner Road</td>
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<td>directly involved, and any rescue workers.</td>
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<td>Oklahoma City, OK 73131</td>
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<tr>
<td>Organization</td>
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<td>Description</td>
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<tr>
<td>Camp Funnybone</td>
<td>(405) 341-8115</td>
<td>Scholarships to Camp Funnybone for children affected by the bombing. Camp Funnybone is a day camp from June 13-17. Tuition is $200.00 per child.</td>
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<tr>
<td>Children's Hospital Fund</td>
<td>(405) 271-2212</td>
<td>Counseling, children's emergency services, and other health services at The Children's Hospital of Oklahoma</td>
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<tr>
<td>Children's Relief Fund</td>
<td>(405) 523-4134</td>
<td>OCCF f/b/o children suffering injury or family loss</td>
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<tr>
<td>Christi Jenkins Memorial Fund</td>
<td>(405) 348-5728</td>
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<tr>
<td>Christy Rossas Trust Fund</td>
<td>(405) 348-5728</td>
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<tr>
<td>Coleen Houseley Family Assistance Fund</td>
<td>(405) 348-5728</td>
<td></td>
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<tr>
<td>Dana &amp; Christopher Cooper Family Relief Fund</td>
<td>Funds Expended</td>
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<tr>
<td>Danielle Bell Fund</td>
<td>(405) 677-1910</td>
<td>Del City victims and their families</td>
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<tr>
<td>Del City Chamber of Commerce</td>
<td>(405) 677-1910</td>
<td>Del City victims and their families</td>
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<tr>
<td>Disaster Recovery Fund (Boatmen's Bank)</td>
<td>(405) 230-4512</td>
<td>Assist victims, survivors and families</td>
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<tr>
<td>Disaster Relief Fund (All Souls Church)</td>
<td>(405) 843-1431</td>
<td>Unmet needs.</td>
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<tr>
<td>Disaster Relief Fund (Catholic Charities)</td>
<td>(405) 523-3000</td>
<td>Direct assistance to survivors. Agreed to pick up cost of all death certificates ordered by funeral directors. They have also been asked to advise of other family out-of-pocket expenses, as needed.</td>
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<td>Disaster Relief Fund (Church of Christ)</td>
<td>(405) 478-0166</td>
<td>Disaster relief - open</td>
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<tr>
<td>Disaster Relief Fund (Life, Inc.)</td>
<td>(405) 235-3517</td>
<td>Disaster victims and federal employees families</td>
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<tr>
<td>Disaster Relief Fund (United Way)</td>
<td>(405) 236-8441</td>
<td>Current and long-term disaster needs.</td>
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<tr>
<td>Organization</td>
<td>Address</td>
<td>Phone</td>
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<tr>
<td>Emer Business Assistance/Business Relief Fund</td>
<td>123 Park Avenue, Oklahoma City, OK 73102</td>
<td>(405) 297-8900</td>
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<tr>
<td>Family Relief Fund</td>
<td>PO Box 2406, Edmond, OK 73083-2406</td>
<td>(405) 348-7500</td>
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<tr>
<td>FEEA OK Fund</td>
<td>8441 W. Bowles Avenue, #200, Littleton, CO 80123-3245</td>
<td>(303) 933-7580</td>
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<tr>
<td>Feed the Children</td>
<td>333 N. Meridian, Oklahoma City, OK 73107</td>
<td>(405) 942-0228</td>
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<td>Gilbert Martinez Family Relief Fund</td>
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<td>Funds expended</td>
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<tr>
<td>Gold Heart Fund</td>
<td>PO Box 32823, Oklahoma City, OK 73123</td>
<td>(405) 341-1591</td>
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<tr>
<td>Good Neighbor OKC Relief Fund</td>
<td>PO Box 54309, Oklahoma City, OK 73154</td>
<td>(405) 478-1455</td>
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<tr>
<td>Governor Keating's Victim &amp; Family Relief Fund</td>
<td>5100 NW 10th, Box 75533, Oklahoma City, OK 73127</td>
<td>(405) 949-6500</td>
</tr>
<tr>
<td>Hands Together Emerg. Relief Fund</td>
<td>100 N. University, Dr. Evans Hall #101, Edmond, OK 73034</td>
<td>(405) 341-2980</td>
</tr>
<tr>
<td>Heartland of America Fund, Inc.</td>
<td>777 NW Grand Blvd., #150, Oklahoma City, OK 73118</td>
<td>(405) 948-6574</td>
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<tr>
<td>Heartland Scholarship Fund</td>
<td>500 Education Bldg. State Capitol, Oklahoma City, OK 73105</td>
<td>(405) 524-9120</td>
</tr>
<tr>
<td>Heartland Volunteer Recognition Committee</td>
<td>7208 NW 16th, Oklahoma City, OK 73127</td>
<td>(405) 495-7572</td>
</tr>
<tr>
<td>Organization</td>
<td>Phone Number</td>
<td>Description</td>
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<tr>
<td>Hospitals Helping the Heartland</td>
<td>(405) 427-9537</td>
<td>Meeting short-term needs of bombing victims and their families, providing</td>
</tr>
<tr>
<td>4000 Lincoln Blvd.</td>
<td></td>
<td>long-term emotional support and counseling to the community at large, and</td>
</tr>
<tr>
<td>Oklahoma City, OK 73105</td>
<td></td>
<td>providing critical incident stress management training for hospital workers.</td>
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<tr>
<td>HUD Victims &amp; Families Relief Fund</td>
<td>(405) 848-2685</td>
<td>Financial needs arising from bombing OKC federal building.</td>
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<tr>
<td>PO Box 57390</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73157</td>
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<tr>
<td>In His Name Fund</td>
<td>(405) 789-1140</td>
<td></td>
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<tr>
<td>2809 N. MacArthur</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73127</td>
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<tr>
<td>In His Name Relief Fund</td>
<td>(405) 947-7415</td>
<td>Personal household expenses and funeral expenses</td>
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<tr>
<td>PO Box 1208</td>
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<td>Bethany, OK 73008</td>
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<tr>
<td>Inter-Lutheran Disaster Response</td>
<td>(405) 848-1733</td>
<td>Disaster relief</td>
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<tr>
<td>3000 United Founders Blvd, #141</td>
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<tr>
<td>Oklahoma City, OK 73112</td>
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<tr>
<td>Interfaith Disaster Recovery</td>
<td>(405) 524-0338</td>
<td>Unmet needs</td>
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<tr>
<td>2200 Classen #900</td>
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<tr>
<td>Oklahoma City, OK 73106</td>
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<tr>
<td>JLOC Disaster Fund</td>
<td>(405) 843-5668</td>
<td>Unmet needs</td>
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<tr>
<td>6300 N. Western</td>
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<tr>
<td>Oklahoma City, OK 73118</td>
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<tr>
<td>Judy Fisher Relief Fund</td>
<td>(405) 843-5668</td>
<td>Unmet needs</td>
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<tr>
<td>4716 N. Western</td>
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<td>Oklahoma City, OK 73118</td>
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<tr>
<td>Kiwanis Special Activities Fund</td>
<td>(405) 235-6229</td>
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<td>120 N. Robinson #1264</td>
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<tr>
<td>Oklahoma City, OK 73102</td>
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<tr>
<td>Lanny Scroggins Memorial Fund</td>
<td>(405) 843-5668</td>
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<tr>
<td>PO Box 851520</td>
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<td>Yukon, OK 73085</td>
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<tr>
<td>Lions of Oklahoma, District 3-N Disaster Fund</td>
<td>(405) 278-1121</td>
<td>Economic losses resulting from explosion</td>
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<tr>
<td>315 Park Avenue</td>
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<td>Oklahoma City, OK 73102</td>
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<tr>
<td>Mayor's Disaster Relief Fund</td>
<td>(405) 297-2424</td>
<td>Victim relief efforts</td>
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<tr>
<td>200 N. Walker</td>
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<tr>
<td>Oklahoma City, OK 73102</td>
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<tr>
<td>McDonald's Employee Relief Fund</td>
<td>(405) 721-9700</td>
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<tr>
<td>3817 NW Expressway, #920</td>
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<td>Oklahoma City, OK 73112</td>
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<tr>
<td>Michael Carillo Children's Fund</td>
<td>(405) 297-2424</td>
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<tr>
<td>PO Box 850242</td>
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<tr>
<td>Oklahoma City, OK 73185</td>
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<tr>
<td>Mike Weaver Scholarship</td>
<td>(405) 297-2424</td>
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<tr>
<td>PO Box 25848</td>
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<td>Oklahoma City, OK 73125</td>
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<td>Organization</td>
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<tr>
<td>Morgan Taylor Merrell Trust Fund</td>
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<td>Daughter of Frankie Ann Merrell</td>
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<td>Oklahoma City, OK 73126</td>
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<tr>
<td>Murrah Bldg. Scholarship Fund</td>
<td>(405) 341-2980</td>
<td>Any surviving child of Fed. Bldg. or YMCA daycare. Any surviving child who lost one or both parents in the disaster.</td>
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<tr>
<td>100 N. University Dr. Evans Hall, #101</td>
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<tr>
<td>Edmond, OK 73034</td>
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<tr>
<td>Murrah Crime Victims Compensation Fund</td>
<td>(405) 557-6704</td>
<td>Medical, funeral, loss of wages.</td>
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<tr>
<td>2200 Classen Blvd. #1800</td>
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<td>loss of support, counseling for victims and/or family members</td>
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<td>Oklahoma City, OK 73106</td>
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<tr>
<td>Oklahoma Business Relief Fund</td>
<td>(405) 235-3669</td>
<td>Gaps in insurance coverage</td>
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<tr>
<td>330 NE 10th</td>
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<td>Oklahoma City, OK 73104</td>
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<tr>
<td>OK NARFE Disaster Relief Fund</td>
<td>(405) 732-8934</td>
<td>Aid for federal employees</td>
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<tr>
<td>232 Randall Drive</td>
<td></td>
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<td>Midwest City, OK 73110</td>
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<tr>
<td>OK-AEYC Disaster Fund</td>
<td>(405) 521-1426</td>
<td>Educational opportunities for individuals working with young children and projects which enhance child care in Oklahoma.</td>
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<tr>
<td>3024 North Paseo</td>
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<tr>
<td>Oklahoma City, OK 73103</td>
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<tr>
<td>Oklahoma City Children's Disaster Fund</td>
<td>(405) 848-2702</td>
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<tr>
<td>3501 NW 63rd #100</td>
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<tr>
<td>Oklahoma City, OK 73116</td>
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<tr>
<td>Oklahoma City Disaster Victims Fund</td>
<td>(405) 272-2869</td>
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<td>PO Box 656</td>
<td></td>
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<tr>
<td>Oklahoma City, OK 73101</td>
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<tr>
<td>Oklahoma City Rotary Foundation Relief Fund</td>
<td>(405) 235-5100</td>
<td>Mission statement in progress</td>
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<td>120 N. Robinson, #1909</td>
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<td>Oklahoma City, OK 73102</td>
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<tr>
<td>Oklahoma City Victims Fund</td>
<td>(405) 239-5800</td>
<td>Families of deceased victims</td>
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<tr>
<td>1217 S. Agnew</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oklahoma City, OK 73148</td>
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<tr>
<td>Oklahoma Oil &amp; Gas Industry Trust Fund</td>
<td>(405) 375-5788</td>
<td>Funds collected to be used for continuing education of children who had a parent or parents killed in the bombing of the Alfred P. Murrah Federal Building.</td>
</tr>
<tr>
<td>2601 NW Expressway, Suite 107W</td>
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<tr>
<td>Oklahoma City, OK 73112</td>
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<tr>
<td>Oklahoma United Methodist Disaster Relief</td>
<td>(405) 751-0755</td>
<td>Individual unmet needs - long term recovery - counseling and programming support of first United Methodist Church.</td>
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<td>2420 N. Blackwelder</td>
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<td>Oklahoma City, OK 73104</td>
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<tr>
<td>Rebecca Anderson Memorial Fund</td>
<td>(405) 879-8104</td>
<td>The benefit of Rebecca Anderson's children</td>
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<td>6307 Waterford, #100</td>
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<td>Rick T. Tomlin Family</td>
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<td>Robbin Huff Family Assistance Fund</td>
<td>PO Box 82189, Oklahoma City, OK 73148</td>
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<td>Rotary Foundation Disaster Relief Fund</td>
<td>PO Box 656, Oklahoma City, OK 73101</td>
<td>(405) 272-2869</td>
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<td>Scott Williams Memorial Fund</td>
<td>PO Box 25848, Oklahoma City, OK 73125</td>
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<td>Shelly Turner Bland Memorial Fund</td>
<td>PO Box 1255, Oklahoma City, OK 73101</td>
<td>(405) 848-6811</td>
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<td>Spirit of Oklahoma Scholarship Fund</td>
<td>7401 N. Kelley, Oklahoma City, OK 73111</td>
<td>(405) 843-6641</td>
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<td>Spirit of Oklahoma Disaster Fund</td>
<td>7401 N. Kelley, Oklahoma City, OK 73111</td>
<td>(405) 843-9130</td>
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<td>Teresa Alexander Family Assistant Fund</td>
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<tr>
<td>Thomas Hawthorne Sr. Memorial Fund</td>
<td>PO Box 25676, Oklahoma City, OK 73125</td>
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<tr>
<td>Victim and Family Relief Fund</td>
<td>State Capitol Bldg. #212, Oklahoma City, OK 73105</td>
<td>(405) 521-2342</td>
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<tr>
<td>Virginia Thompson Family Fund</td>
<td>2409 S. Country Club Rd., El Reno, OK 73036</td>
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Dear Mr. Trudgeon:

Thank you again for your coordination of our telephone conference of August 3, 1995 with representatives from the IRS National Office.

I have recently received written guidance from the National Office which should serve to document the information discussed during that conference. I am enclosing a copy for your purposes. I will also provide this for Daniel Kurtenbach of the Community Resource Fund for further dissemination. This guidance is in two parts. The first part provides a general explanation of the tax law in the area of disaster relief. The second part covers some of the questions that have risen concerning the relief effort in Oklahoma City.

This is designed to provide general information relating to federal tax rules and Internal Revenue Service procedures pertaining to disaster relief. It is intended only as a quick reference guide and should not be relied upon as a sole source of information. This guide is not intended to replace current precedent.

This guide contains no new rules or regulations. It is simply a convenient "one-stop" compilation of existing provisions of tax law that may relate to the provision of disaster relief. If there are any questions about the information contained in this guide, or if further questions come up, please contact me.

Sincerely,

Richard L. Hanson
Internal Revenue Agent
Part I: GENERAL LAW OF CHARITY IN DISASTER SITUATIONS

The legal doctrines applicable to charitable trusts, as developed in judicial decisions, recognize that trusts for the purpose of aiding victims of fires, earthquakes, drought and similar calamities are charitable. See IV-A, Scott, The Law of Trusts, sec. 375.2 (4th ed. 1989); Bogert, Trusts and Trustees, section 379 (2nd ed. rev. 1977). The principles underlying these decisions are applied in determining whether a disaster relief organization is exempt from federal income tax. The cardinal principle is that the activities of the organization must serve a public rather than a private interest. See section 1.501(c)(3)-1(d)(i) of the Income Tax Regulations.

Section 501(c)(3) of the Internal Revenue Code provides a statutory exemption from federal income tax for organizations organized and operated exclusively for charitable purposes. Charitable purposes include the promotion of social welfare by organizations designed to relieve the poor and distressed or underprivileged. Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations. Persons who are financially unable to care for themselves as a result of sudden and severe or overwhelming financial burdens arising from events beyond their control are proper objects of charity because they are considered to be "distressed." In appropriate circumstances, relieving their distress serves a public rather than a private interest. In recognition of this fact, the statutory scheme allows donors to an exempt organization to claim a charitable deduction for their contributions to the organization. See section 170(c)(2)(B) of the Code. Authorities interpreting the deductibility provisions of the Code are also useful in determining whether an organization is directing its activities to persons who are appropriate objects of charity.

Section 1.170A-4A(b)(2)(ii)(D) of the regulations defines a needy person, in part, as a person who lacks the necessities of life essential to physical, mental, or emotional well-being, as a result of poverty or temporary distress. Examples of needy persons include a person who is financially impoverished as a result of low income and lack of financial resources, a person who temporarily lacks food or shelter (and the means to provide for it), a person who is the victim of a natural disaster (such as fire or flood), a person who is the victim of a civil disaster (such as civil disturbance) and a minor child who is not self-sufficient and who is not cared for by a parent or guardian.

Section 1.170A-4A(b)(2)(ii)(E) of the regulations defines care of the needy as alleviation or satisfaction of an existing need. Since a person may be needy in some respects and not others, care of the needy must relate to a particular and appropriate need. For example, a person whose temporary need
Disaster Relief Guidance

arises from a natural disaster may need temporary shelter and food but not recreational facilities.

Persons may qualify as distressed even if they would not otherwise have qualified as poor. In appropriate circumstances, disaster relief organizations may provide goods or services to victims of disasters such as food, clothing, housing, transportation, medical assistance, or similar necessities without regard to financial need. This is consistent with the approach taken in other cases where organizations direct their efforts to meeting particular needs of a distressed class of beneficiaries. For example, Rev. Rul. 79-18, 1979-1 C.B. 194, provides that housing for meeting special needs of the elderly may further charitable purposes. Similarly, Rev. Rul. 79-17, 1979-1 C.B. 193, concluded that providing a hospice facility to those dying persons in need of specialized housing alleviates the mental and physical distress of persons terminally ill and, thereby, relieves the distressed within the meaning of section 1.501(c)(3)-1(d)(2).

The fact that even persons of wealth may be appropriate objects of relief efforts does not relieve an organization of the burden of justifying its distributions to individuals. Whenever an organization distributes funds such as grants or loans for the purpose of relieving financial distress, it must be able to show that the distribution was based on the demonstrated need of the individual. Therefore, a disaster relief organization must have in place, prior to any disbursement of funds, a set of criteria by which it can objectively make distributions to financially distressed individuals. The existence of objective criteria will ensure that funds are disbursed for the purposes of relieving the distressed rather than to serve some private interest of the grantor or recipient.

The amount of detail required in an organization’s records to document its charitable relief efforts will vary depending on the circumstances at the time the relief is provided. In the initial stages of the relief effort there will be an urgent need for immediate action to provide short-term assistance, such as for food, clothing, temporary housing, temporary housing repairs, immediate medical care, funeral services and other critical needs. During this phase of the relief effort, only a minimum of information is required to be collected from recipients. In most cases, records containing basic information such as names, addresses, telephone numbers, social security numbers, a brief description of loss suffered, and the type and amount of assistance needed and assistance granted should be maintained. However, in some emergency circumstances, it may be sufficient merely to provide assistance to the distressed without obtaining even this minimal information.
After immediate critical needs have been satisfied, criteria for providing aid to satisfy long-term needs must be used so that available aid can be directed to the persons most in need of it. At this juncture, complete and appropriate documentation of need should be required of persons seeking assistance and documentation should be maintained by the organization to demonstrate the charitable nature of its relief efforts. For example, in considering financial need the charity should consider evidence of the applicant's financial condition such as available cash, expenses, other financial obligations, assets that can be disposed of without causing further personal hardship, and anticipated cash flow (income, insurance proceeds, etc.). This information should be considered to determine whether such resources are insufficient to provide for timely retirement of existing obligations and the continuing basic living requirements (food, housing, clothing, medical care, transportation, household repairs, or other similar necessities).

The type of aid that is appropriate to relieve distress in a particular case depends on the individual's needs and the individual's resources. Individuals might be entitled to short-term assistance, but not long-term assistance. For example, following a devastating flood, a family may be in need of funds to meet immediate necessities. The same family, however, may not have the need (or meet the needs criteria established by the organization) for a low-interest building loan to repair their home because they are covered by insurance, have sufficient assets, or can reasonably obtain and repay a commercial loan.

The general rule is that any charity, including a charity engaged in disaster relief efforts, must take appropriate steps to assure that its activities are conducted and its funds expended in a manner consistent with its charitable purposes. While record keeping may not be of paramount importance during the initial phase of a massive relief effort, this does not excuse an organization from its continuing record keeping obligations. The organization should maintain records of disbursements made and case histories of persons receiving assistance. Rev. Rul. 56-304, 1956-2 C.B. 306. The records maintained by the organization should include names and addresses of recipients of aid; amount and type of aid distributed to each; the purpose for which aid was given; the manner in which the recipient was selected; the relationship, if any, between the recipient and members, officers, or trustees of the organization, a grantor or substantial contributor to the organization or a member of the family of either.

The presence of objective selection criteria and adequate records and case histories is helpful because disaster relief efforts may raise the issue of whether the class of beneficiaries was overly limited or pre-selected due to the fact that beneficiaries are often defined by a particular event. The rule
that a charitable organization must not serve private interests excessively is a long-established one and is based on an essential ingredient of charitable law, that the organization be organized to serve the public interest. IV-A, Scott, supra, 375:

A [charitable] trust may fail because the class of persons who are to benefit is so narrow that the community has no interest in the performance of the trust. It is a question of degree whether the class is large enough to make the performance of the trust of sufficient benefit to the community so that it will be upheld as a charitable trust. If the purpose of the trust is to relieve poverty, promote education, advance religion, or protect health, the class need not be as broad as it must be where the benefits to be conferred have no relation to any of these purposes. On the other hand, the class of persons to be benefited may be so limited that the trust is not charitable even though the purpose of the trust is to relieve their poverty, to educate them, or to save their souls, or to promote their health.

In Russell v. Allen, 107 U.S. 163, 167 (1882), the Supreme Court stated that charitable trusts "may, and indeed must, be for the benefit of an indefinite number of persons; for if all the beneficiaries are personally designated, the trust lacks the essential element of indefiniteness, which is one characteristic of a legal charity." Similarly, the Tax Court has noted that "[c]harity begins where certainty in beneficiaries ends, for it is the uncertainty of the objects and not the mode of relieving them which forms the essential element of charity." Thomason v. Commissioner, 2 T.C. 441, 443 (1943) (amounts paid for the benefit of a designated ward of a charitable organization not deductible as charitable contributions). See also, Davis v. Commissioner, 55 T.C. 416, 424 (1970) (inter vivos trust established for college education of grantor's grandnieces and grandnephews held not charitable).

An organization can usually avoid the "limited class" issue if, in addition to meeting the other organizational requirements, its beneficiaries constitute a traditional charitable class and are indefinite either by virtue of their large numbers or by defining the class of beneficiaries in an "open-ended" manner. Beneficiaries are defined in an "open-ended" manner when the organization aids the victims of a particular disaster and also others who may be similarly situated in the future. For example, an organization created to aid firemen and other victims of a specific fire is limiting its services to a particular group of pre-selected individuals. But if the organization is created to aid those injured or killed while undertaking fire fighting efforts, the class of beneficiaries is open-ended and will include current and future fire victims.
The disqualifying effect of too strictly limiting the class to be aided is illustrated by G.C.M. 39876 (July 29, 1992). In that case, Chief Counsel concluded that a trust formed to aid members of a specific college graduating class and their families who become destitute or disabled was not described in section 501(c)(3) because it was organized for the private benefit of the particular members of the graduating class rather than for exclusively public interests. Even though members of that class who become destitute or disabled may be appropriate objects of charity, the organization is directing its aid to a closed class of pre-selected individuals.

The trust described in the G.C.M. could overcome the closed class, pre-selection and private benefit issues if it were formed to aid needy members of that year's college graduating class and needy members of all future graduating classes. By including needy members of future graduating classes the trust would be benefiting an open-ended class of beneficiaries. So long as the class is open-ended, the presence of ascertainable beneficiaries does not preclude exemption under section 501(c)(3). As stated in 'Bogert, Trusts and Trustees', sec. 363 at page 29 (2nd ed. rev. 1977), "...many charitable trusts present the aspects of a certain amount of definiteness as to present 'beneficiaries' but constant indefiniteness as to the future 'beneficiaries.'"

The immediate beneficiaries of an organization's distributions to an individual are not the only ones who may benefit from its activities. A disaster relief organization formed for the benefit of distressed individuals may also serve to further the private interests of its founders, principals, or even contributors, thereby failing to achieve exemption despite otherwise good intentions. Section 1.501(c)(3)-1(d)(1(ii) of the regulations. A case illustrative of that principle is Wendy L. Parker Rehabilitation Foundation, Inc. v. C.I.R., T.C. Memo. 1986-348.

In the Wendy Parker case the Tax Court upheld the Service's position that a foundation formed to aid coma victims, including a family member of the founders, was not entitled to recognition of exemption under section 501(c)(3). Approximately 30% of the organization's net income was expected to be distributed to aid Wendy Parker, the family coma victim. The court found that the family of Wendy having selected her as a substantial beneficiary of the foundation's funds relieved the family of the economic burden of providing medical and rehabilitation care for their family member and, therefore, constituted inurement to the benefit of private individuals.

Another problem that arises in disaster relief cases is the earmarking of contributions to an organization for a particular individual.
Section 170(c) of the Code defines "charitable contribution", in part, to include a contribution or gift to or for the use of a corporation organized and operated exclusively for, among others, charitable purposes no part of the net earnings of which inures to the benefit of any private shareholder or individual.

A contribution is made to or for the use of a charitable organization if the organization has full control of the use of the donated funds and discretion as to their use and the intent of the donor is to contribute "to" the organization for the organization's benefit. In Thomason v. Commissioner, supra., the court found that the Service had long construed the phrase "for the use of" to mean "right of exclusive appropriation or enjoyment of the thing donated."

When contributions are made to a charity and earmarked for a particular individual they are not made to or for the use of the charity for it to use as it sees fit nor made for the benefit of an indefinite number of persons but, rather, for the benefit of that particular individual. As a gift to a preselected individual, the contribution is not deductible as a charitable contribution. Contributions, however, can be made to a charitable organization for it to use in one of its programs, such as for disaster relief generally or specific to a particular occurrence, provided the donor's instructions are merely advisory.

Generally, charities are in the best position to decide the specifics about the type and amount of aid and the appropriateness of beneficiaries for disaster relief within the general parameters of charity law. That is why Notice 95-33, I.R.B. 1995-23, states that the Service will not raise exemption or private foundation excise taxes issues with charities that provide appropriate relief in good faith to the victims of the Oklahoma City terrorist bomb attack through December 31, 1995, or later if an extension by the Service is determined to be necessary or appropriate. This does not mean that basic tax law rules are waived. The charity must still assess the needs of applicants based on their situation and resources. Good faith decisions will not be challenged by the Service.

Part II: SPECIFIC GUIDANCE

The following are examples of situations about which you have particular concerns.

Question 1

What can a charity do to meet long-term concerns such as education for orphans or children injured in a disaster?
Answer

Beneficiaries must constitute a traditionally charitable class (which would include orphans or injured children) and must also be indefinite either by virtue of their large numbers or by defining a class of beneficiaries in an open-ended manner. The class of beneficiaries is open-ended when the charity aids victims of a particular disaster and also others in similar circumstances in the future rather than a finite or fixed group that is identifiable.

Since the children orphaned or injured as a result of the Oklahoma City disaster would represent a finite group of known individuals, new charities and funds dedicated by established charities for the future educational or medical needs of these children must also include a purpose to assist orphans or children injured in future disasters. Criteria for selection of eligible recipients of aid can include a preference for those children affected by the Oklahoma City disaster. Existing charities or churches with ongoing relief programs for the distressed and needy can select victims of the disaster without establishing that they will also help future disaster victims since they have been serving an indefinite class.

Although funds can be set aside currently, the actual selection of appropriate beneficiaries must be made at the time the educational or medical relief is granted. With respect to educational grants to individuals, appropriate criteria for selection would include need and/or merit on the part of an otherwise eligible individual as established by the charity. Grants to individuals for medical treatment should be based on whether the individual is distressed and needy in the sense of being unable to otherwise afford necessary medical attention.

Question 2

Whether providing funds to individuals who require medical treatment or post trauma counseling as a result of a disaster is a charitable expenditure.

Answer

Providing medical treatment, post trauma counseling, or similar assistance directly to victims of a disaster would accomplish charitable purposes irrespective of whether such persons are needy since they would represent a charitable class. The public benefit derived from affording this class of distressed persons with treatment outweighs any incidental private benefit. This is the situation, for example, where a charity operates a suicide hot line or provides hospice services to the terminally ill, counsels widows who are dealing with emotional, financial and legal problems caused by a spouse's
Disaster Relief Guidance

death, or operates a drug clinic to assist victims of hallucinatory drugs. These activities have all been held by the Service to assist a charitable class without regard to financial need.

However, providing funds to individuals who are disaster victims for medical treatment, post trauma counseling, or similar assistance without application of a needs test would overly serve their private interests. In this circumstance, money would not relieve the particular distress or need where an individual involved in a disaster and needing assistance otherwise has sufficient resources to pay for the assistance.

Whenever funds are provided to individuals, the charity is required to maintain records of disbursements made and case histories of persons receiving funds. For example, names and addresses; amounts distributed to each; purpose for which funds were given; manner of selection of recipient; and the relationship, if any, between recipient and members, officers, directors or trustees of the organization, a grantor or substantial contributor.

**Question 3**

i. Is a charitable class defined by loss or need?

ii. Should donated funds be used to make a victim "whole"?

iii. Should victims be paid a "lump sum" benefit rather than having to justify specific needs?

**Answer**

Persons who are needy and distressed constitute a charitable class, assuming that the class is otherwise indefinite. As previously noted, in some circumstances individuals may be distressed and require assistance without being financially needy. For example, individuals who are lost at sea or trapped by a snowstorm, flood, or other disaster would constitute a charitable class irrespective of their financial condition. Therefore, providing rescue operations would relieve their particular distress. On the other hand, assistance aimed at relieving an individual who, because of a disaster, is lacking in funds and temporarily not able to meet basic living requirements such as food, housing, clothing, transportation and medical care would require a showing that the individual’s resources are not adequate. Where a charity makes a determination that an individual's resources such as available cash, assets that can be disposed of without causing further personal hardship, and anticipated cash flow from all sources, including insurance, can reasonably be expected to be insufficient to meet basic obligations and living requirements, the individual would be an appropriate charitable beneficiary. A person does not have to be
totally destitute to be needy, merely lacking the resources to meet the basic necessities.

Making an individual whole or paying a lump sum on account of a loss caused by a disaster does not, necessarily, further charitable purposes. The amount needed to relieve the distress based on the individual's situation and the charity's resources should be the determining factors. Therefore, lump sum benefits or other similar arrangements not specifically geared toward alleviating the specific distress would not be appropriate. An outright transfer of funds based solely on an individual's involvement in a disaster or without regard to meeting that individual's particular distress or financial needs would result in excessive private benefit. Persons who have been affected by a disaster are not necessarily proper objects of charity. For example, if a person's uninsured vacation home is destroyed in a disaster, that person would have undergone a loss. But, it does not follow that the person is therefore distressed and needy. If a person's uninsured car is damaged, the charity may determine based on its resources and the individual's resources and needs that providing funds to repair or purchase another car is appropriate where the car is needed to earn a livelihood or to meet other basic living requirements. A charity may also provide funds to assist a person whose uninsured home is damaged by a disaster based on its resources and the individual's resources and needs. Alternatively, the charity may determine that providing funds for temporary housing is more appropriate. In operating its housing assistance program, the charity should keep in mind that maintaining a person's standard of living at a level satisfactory to that person rather than at a level to satisfy basic needs would overly serve private interests. For example, rebuilding an individual's luxury estate would excessively serve a private rather than a public interest.

**Question 4**

Can a charity assist a widow who did not qualify for mortgage payments from FEMA because she had not defaulted on her payments? Can a charity assist a widow who received funds from FEMA which were insufficient to totally repair the car.

**Answer**

A person does not have to be totally impoverished, dispossessed of their home, or in actual default of a mortgage before assistance is appropriate. It is sufficient that the charity has ascertained that the individual cannot meet the basic necessities. Providing assistance to a person whose car was damaged by a disaster, lacks sufficient insurance, and otherwise lacks the financial resources to repair the car would further charitable purposes by ensuring that the person can meet one of the basic living requirements.
Question 5

Are the following expenditures made for persons directly affected by the bombing appropriate disbursements by a 501(c)(3) organization administering funds for disaster relief?

Answer

Mostly charities are in the best position to decide the specifics about the type, amount and appropriate beneficiaries for disaster relief within the general parameters of charity law. That is why Notice 95-33 I.R.B. 1995-23 (June 5, 1995) states that the Service will not raise exemption or private foundation excise taxes issues with charities that provide appropriate relief in good faith to the victims of the Oklahoma City terrorist bomb attack through December 31, 1995, or later if an extension by the Service is determined to be necessary or appropriate. This does not mean that basic tax law rules are waived. The charity must assess the needs of applicants based on their situation and resources. But good faith decisions will not be challenged. In general, amounts provided by a charity to individuals who lack available resources to alleviate the distress caused by the Oklahoma City terrorist attack are appropriate expenditures.

(1) Funeral expenses? Yes, if the individual has inadequate resources through insurance or otherwise.

(2) Medical expenses of those injured in the blast? Yes, if the individual has inadequate resources through insurance or otherwise.

(3) Payments to provide funds to replace destroyed automobiles? Yes. But, a charity may determine appropriate relief based on its resources and the resources and needs of the individual.

(4) Grants of limited dollar amounts to the families of persons who were killed or injured to replace the lost income to the victim’s household? No. Relief may be in the form of temporary relief to families whose resources to provide for basic living requirements are inadequate because of death or injury; however, the amount of relief required does not necessarily equate to the actual income that was lost. It should also be noted that the financial circumstances of disaster victims may change over time. Therefore, persons who were initially found to be needy or distressed may not continue to be proper objects of charity after the needs arising out of the disaster have been satisfied.
(5) Travel expenditures to allow families of victims to attend funerals or visit the injured? Yes, if there are otherwise inadequate resources.

(6) Does it make a difference whether the funds are spent directly to protect the families’ shelter or to provide food and clothing? A charity may expend funds for a disaster victim to provide temporary housing, to repair housing that has been destroyed or damaged, or to prevent further damage such as from the elements or vandalism. In addition, a charity may expend funds to provide food and clothing. These expenditures assume that the individual has inadequate resources from insurance or otherwise to meet basic living needs.

(7) Would a charity administering funds for disaster relief apply a different standard with respect to proposed distributions to a tax exempt entity which was directly affected by the bombing such as a 501(c)(3) organization whose property suffered damage or interruption of utilities requiring repairs and/or obtaining temporary quarters? Yes, there is a different standard where one charity disburse funds to another. A section 501(c)(3) charity can distribute funds to another section 501(c)(3) charity for either a specific purpose or generally for whatever purpose the recipient decides will accomplish its exempt purposes. This is because such funds remain dedicated to charitable purposes irrespective of their use.

(8) Does it make a difference if one or the other entities has a religious affiliation? No, it does not make a difference as long as the recipient is a qualified charity or a church.

**Question 6**

A 501(c)(3) organization received a request for funds from a businessman whose convenience store had been caught in the blast. He had uninsured loss of $24,000 from the loss of consignment merchandise destroyed. This left him with a debt of $24,000. He has approached both FEMA and SBA and states that he did not qualify for help with this debt or for a loan from SBA as he had no collateral. He is requesting payment of the $24,000 debt so that he can resume business. The store is not his sole support as his wife works elsewhere. They had received disaster aid which helped them make mortgage payments that they were unable to make due to loss of income. The charity wants to pay the debt so that the victim can reopen a business and regain income from that source. The charity assumes that without this aid the business will not reopen.
Answer

This situation raises the issue of whether a charity can provide relief to a business or to a business person for a loss caused by a disaster.

A business is not an appropriate charitable beneficiary. It is not a needy or distressed person. Nevertheless, assisting a business under certain circumstances could accomplish charitable purposes by providing a means to help persons who are in fact needy or distressed.

Where an owner of a business is distressed and needy on account of a business failure caused by a disaster, assistance will usually be provided directly to the owner. However, it can also be provided through assisting the business for the owner's benefit. In addition to a convenience store whose uninsured merchandise is destroyed by a disaster, other situations where a disaster so severely affects an individual's ability to earn a livelihood as to result in a needy and distressed individual would include the following examples. If a construction worker, an owner of an insurance company or a self-employed real estate agent owned an uninsured automobile that was destroyed by a disaster and there are inadequate resources to replace the automobile, each individual would be in a situation of being unable to attend to such basic living requirements as commuting to employment locations, getting medical attention, or shopping for groceries. Equally important, their ability to earn a livelihood and thereby meet basic financial obligations and living expenses would be severely jeopardized. This would be true for an employee, a self-employed person, or a business owner irrespective of whether a business loss is involved.

The charity would have to make a determination, with appropriate documentation, that the available cash, assets that can be disposed of without causing further personal hardship, reasonable access to commercial sources of credit, a spouse's income, and anticipated cash flow from all sources, including insurance, can reasonably be expected to be insufficient to permit the individual to meet basic obligations and living requirements. If the convenience store owner has other available assets and sources of income to meet current obligations and basic necessities, charity is not accomplished by providing funds to pay for uninsured merchandise. The loss of the business in such circumstance while regrettable would not result in a charitable beneficiary since the owner is neither distressed nor needy. This analysis would be appropriate for damage to real property, damage to equipment whether leased or owned, and business interruption resulting from the disaster. The loss from a disaster does not trigger a charitable beneficiary. Rather, if the loss is uninsured and so massive that the business owner
becomes an appropriate charitable object, assistance would be appropriate. Lost business opportunities or minor damage would not fit into this category since there would be no direct relationship between the loss and meeting basic obligations and living requirements.

The next question is the type and amount of assistance that may be provided. The charity needs to assess individual need based on resources and the situation. The assistance provided should be appropriate to the need so that private benefit is not overly served. For example, replacing a damaged vehicle with a luxury car would serve that individual’s private interest excessively since what is needed is basic transportation. The charity may decide that a low cost or even interest free loan is appropriate. The loan may be forgiven at a later date if insurance is not provided and the person would suffer even more hardship in attempting to repay the loan. Or the charity may decide that a grant is appropriate if there is no prospect of insurance and the person’s circumstances are such that repayment of a loan would cause additional deprivation or hardship.

In the situation of a convenience store needing a grant of $24,000 to replace destroyed merchandise, this would be a reasonable way to assist a small business person whose ability to meet current obligations and basic necessities was severely affected by a disaster. Depending on the circumstances, a loan or outright grant may be appropriate. But, the charity would be serving private interests excessively if it made a grant merely to return the person to a previous or anticipated lifestyle where other resources were adequate to meet basic obligations and living requirements.

**Question 7**

Whether providing funds to a business for the payment of employee payroll is a charitable expenditure.

**Answer**

In this situation, if the distressed and needy are the employees then providing funds to the business to meet the needs of individual employees is too indirect a method to relieve the distress and needs of the employees since it overly serves the private, nonexempt purposes of the business and its owners and assumes that all the employees are distressed and needy. Employees who are unemployed because their employer is unable to operate because of a disaster may be proper objects for charitable relief. In this circumstance, a charity can provide funds or other assistance to the employees based on their situation and resources.
Question 8

Once charities have met all charitable needs related with the disaster, what will they do with excess funds designated for the specific disaster? Must designated donations, for example, donations made for relief of Oklahoma City victims, be used exclusively for those purpose?

Answer

Funds may be contributed to a charity for a general charitable purpose such as for use in awarding scholarships or for a designated disaster. These types of donor advisement are appropriate as long as there is no specific designation or earmarking of funds for particular individuals. However, such advisement are not binding on the charity. Once given, contributions are subject to the charity's control. Donations are made "to or for the use of" the charitable organization for it to use according to its charitable purposes, as it sees fit. The charitable organization must have full control of the use of the donated funds and discretion as to their use. The charity may employ the funds for any activity in the furtherance of its charitable purposes. It is nevertheless within the charity's prerogative to use excess funds, after the needs resulting from a specific disaster are satisfied, in a manner consistent generally with the donor's intent. A charity may certainly establish a fund within a community foundation aimed specifically at providing resources for future disasters within a specified area.

An organization formed for a particular emergency or for a limited duration should have a plan for the distribution of excess funds at the termination of its existence either in its enabling document (e.g. corporate charter, articles of association, trust instrument) or by operation of state law consistent with section 501(c)(3) of the Internal Revenue Code. Therefore, a terminating charity can distribute remaining funds after meeting its financial obligations to other qualified charities or to a government for public purposes. A charity certainly can provide its funds to other qualified charitable organizations that are involved in disaster relief work on a local, regional or national level.

Question 9

May a charity formed as a hospital foundation that supports a specified hospital use its funds generally to assist victims of a disaster?
Answer

A supporting organization exempt under section 501(c)(3) of the Code and that is further classified as other than a private foundation under section 509(a)(3) is generally obligated to use its funds to benefit the particular hospital with which it is associated. This can be done by using its assets to meet the uninsured medical costs of victims treated at those facilities. However, the hospital foundation at the direction of the hospital may also use its funds to benefit individual members of the community who require medical care since this too would support the charitable class served by the hospital. See section 1.509(a)-4(e)(1) of the Income Tax Regulations.

Question 10

What is the effect of providing relief to victims of a disaster through a qualified charitable organization versus through funds administered by an ad hoc relief organization?

Answer

The principle difference between a qualified charitable organization exempt under section 501(c)(3) of the Code and a non-qualified organization is that contributors may not deduct charitable donations to a non-qualified organization for federal income tax purposes as provided by section 170(c)(2). In either situation, amounts received by victims of the disaster would generally not be subject to federal income taxation by reason of being gifts as provided for by section 102 of the Code.

A section 501(c)(3) organization is also exempt from federal income taxation on amounts it receives as donations or contributions from individuals or corporations. Although the ad hoc relief organization is probably not an actual entity for tax purposes, its members most likely would not be subject to federal taxation on amounts entrusted to them by individual or corporate donors that are dispersed to assist victims of the disaster since they would most likely be acting as agents of the donors in carrying out their charitable intentions. There may be a federal income tax consequence to such individual members of an ad hoc organization should they retain some or all of the donations as a fee or for their personal use.

Question 11

Not all organizations providing disaster relief hold a tax exemption under 501(c)(3) with a mission of providing disaster relief. Some may have religious purposes or connections to generally administer to the constituents.
Disaster Relief Guidance

a. What are the problems of a 501(c)(3) organization established for general charitable purposes or for exempt purposes unrelated to disaster relief engaging in activities or soliciting and administering funds for disaster relief?

b. What standards should they apply to avoid any issues of loss of charitable standing?

C. Would there be any different standards applied with respect to organizations with a religious affiliation as described?

Answer

A qualified charity may engage in any type of activity permitted under section 501(c)(3) of the Code. For example, a religious organization exempt under section 501(c)(3) may provide assistance to disaster victims with no adverse consequences to its tax exempt status. It should however, keep appropriate records, such as disbursements made and case histories of persons receiving assistance. Information kept should be names, addresses, amount distributed, purposes, relationship of recipients with the organization its directors, officers, and members.

Where a qualified charity undertakes to assist victims of a disaster, it must be in a position to independently select charitable beneficiaries. In this regard, beneficiaries can not be pre-selected and the charity may not accept donations earmarked for specific individuals. Where a disaster has struck, contributors often look to an existing charity to provide assistance rather than to undertake the task of establishing a new charity. The existing charity must make it clear that it will use its assets to assist victims generally based on an independent decision as to their needs and resources.

Question 12

What are the rules for deducting charitable contributions if monies, goods or services are provided to organizations that have not been recognized as being exempt from federal income tax under section 501(c)(3) of the Code or to victims of the disaster to provide for their emergency care or to relief workers assisting victims? What are the substantiation rules, including out-of-pocket expenses incurred by donors?

Answer

Where an individual provides funds, goods or services directly to victims of a disaster or to relief workers, there is no charitable contribution for purposes of claiming a deduction under section 170 of the Code. This is comparable to a situation
Disaster Relief Guidance

where neighbors assist each other in times of a crisis. Although laudable, there is no provision for a charitable deduction in providing assistance directly between individuals. In addition, there is no charitable contribution for purposes of claiming a deduction under section 170 of the Code unless the contribution is made to or for the use of qualified organizations. Qualified organizations include charitable organizations recognized under section 501(c)(3) of the Code, churches, governmental entities, certain war veterans organizations, and certain domestic fraternal entities operating under the lodge system where the donation is used exclusively for charitable purposes. Sections 170(c) and 508(d) of the Code.

With respect to contributions of less than $250 to or for the use of a qualified organization, generally, a cancelled check, a receipt from a donee organization, or other reliable written records such as contemporaneous writing evidencing the contribution constitute adequate record-keeping for purposes of supporting claimed charitable contributions. Section 1.170A-13 of the Income Tax Regulations.

A deduction is not allowed to a taxpayer for a charitable contribution of $250 or more unless the taxpayer obtains a written acknowledgement of the contribution in accordance with the requirements of section 170(f)(8) of the Internal Revenue Code. See Proposed Regulations published in the Federal Register on August 4, 1995, 60 F.R. 3986-39902 and Publication 1771. The acknowledgement must be obtained by the taxpayer by the earlier of the date the taxpayer files a return for the taxable year in which the contribution was made, or the due date (including extensions) for filing the return.

Unreimbursed expenditures made incident to the rendition of services to a qualified donee organization may constitute deductible contributions. Section 1.170A-1(g) of the Income Tax Regulations. Some taxpayers may make individual unreimbursed expenditures of $250 or more (such as for a plane ticket) that will require substantiation under section 170(f)(8). The August 4, 1995, proposed regulations recognize that a donee organization typically has no knowledge of the amount of out-of-pocket expenditures incurred by a taxpayer, and, therefore, would have difficulty providing taxpayers with substantiation of unreimbursed expenditures.

To address this concern, the proposed regulations provide that if a taxpayer has individual unreimbursed expenditures made incident to the rendition of services and of an amount requiring substantiation ($250 or more), the expenditure may be substantiated by the donor's normal records (as previously noted above under section 1.170A-13 of the regulations) and an abbreviated written acknowledgement provided by the donee organization. The acknowledgement should include a description
of the services provided by the donor, the date the services were provided, whether or not the donee organization provided any goods or services in return, and if so, a description and good faith estimate of the fair market value of those goods or services. The acknowledgement must be provided by the date prescribed for all written acknowledgements under section 170(f)(3) (see above).

Conclusion

Mostly charities are in the best position to decide the specifics about the type, amount and appropriate beneficiaries for disaster relief within the general parameters of charity law. That is why Notice 95-33 I.R.B. 1995-23 (June 5, 1995) states that the Service will not raise exemption or private foundation excise taxes issues with charities that provide appropriate relief in good faith to the victims of the Oklahoma City terrorist bomb attack through December 31, 1995, or later if an extension by the Service is determined to be necessary or appropriate. This does not mean that basic tax law rules are waived. The charity must assess the needs of applicants based on their situation and resources. And good faith decisions will not be challenged.
APPENDIX 3
Providing assistance through charitable organizations
Providing assistance through charitable organizations

disaster relief

... is for people interested in providing assistance to victims of disasters or those in emergency hardship situations through tax-exempt charities. Charitable organizations have traditionally been involved in providing assistance to victims of disasters such as floods, fires, riots, storms, or similar large-scale events. Charities also play an important role in helping those in need because of a sudden illness, death, accident, violent crime, or other emergency hardship. This publication includes:

➤ advice about helping to provide relief through an existing charitable organization
➤ information about establishing a new charitable organization
➤ guidance about how charitable organizations can help victims
➤ documentation and reporting requirements
➤ information about the Victims of Terrorism Tax Relief Act of 2001
➤ guidance about employer-sponsored assistance programs
➤ information about tax treatment of disaster relief payments
➤ information about gifts and charitable contribution rules
➤ reference materials and taxpayer assistance resources
BY USING THIS PUBLICATION AS YOU BEGIN TO PLAN YOUR RELIEF EFFORTS, you will be able to ensure that your program will provide assistance to victims in ways that are consistent with the federal tax rules that apply to charities.

PROVIDING AID TO RELIEVE HUMAN SUFFERING caused by a natural or civil disaster or an emergency hardship is charity in its most basic form. Charitable organizations, including churches, are frequently able to administer relief programs more efficiently than individuals acting on their own. Charitable organizations can continue to offer assistance over long periods of time. Even if the charity later dissolves, its remaining assets are permanently dedicated to accomplishing charitable purposes and cannot be divided among the organization’s members, directors, or employees.

OF COURSE, THERE ARE TAX ADVANTAGES WHEN RELIEF IS PROVIDED by a charitable organization that is tax-exempt. If an organization is exempt from federal income tax, more of its resources may be used to further its mission. Contributors to qualified charitable organizations may be eligible to claim tax deductions for their donations, and the value of these contributions is not subject to gift tax, regardless of the amount. Also, individuals receiving assistance are not generally subject to federal tax on the value of assistance they may receive from a charity to meet their personal needs.
Helping Through an Existing Charitable Organization

When a tragic event occurs there is often an overwhelming desire on the part of the community to come to the aid of the victims. In the immediate aftermath of a disaster or emergency situation, those who wish to provide help may overlook existing charities and spend precious time and resources establishing a new charitable organization and applying for tax-exempt status.

As an alternative, it may be more practical to combine resources with those of an existing charity to provide immediate relief or see whether an existing charity operating in a related area may be interested in establishing a special program to address a particular disaster or emergency hardship situation. For instance, a community fund like the United Way, a religious organization like the Salvation Army, or a relief organization like the Red Cross are all existing organizations which have provided targeted disaster relief and emergency hardship assistance in response to natural and civil disasters and other unforeseen emergencies. Community-based organizations and charities with a local presence often know best what assistance is needed and understand the social and cultural context of a disaster. Working with and supporting these existing organizations may prove to be a more efficient use of disaster relief resources.

Furthermore, even if a charity was not specifically organized to provide disaster relief and such activities were not specified in its application for exemption, an existing recognized charity may engage in disaster relief activities without obtaining prior permission from the IRS. However, it must report this new activity on its annual return and may wish to report a change in its activities to the IRS Exempt Organizations Determinations Office.

**FEDERAL TAX LAW**—Under Federal law, an existing qualified charity generally must be given full control and authority over the use of donated funds, and contributors may not earmark funds for the benefit of a particular individual or family. Contributions to qualified charities may, however, be earmarked for flood relief, hurricane relief, or other disaster relief.

**STATE LAW CONSIDERATIONS**—Some contributors are reluctant to contribute to an existing umbrella organization with many programs. They are concerned that their donations will not be spent directly to serve the victims of the particular emergency they wish to help, and instead, will be applied to other organizational expenses. To address these concerns, many states and local authorities that
regulate charitable solicitation rules have imposed regulations that provide that, if a charity represents that funds will be used for the relief of the victims of a particular disaster, the funds may not be used for other programs of the organization. Charitable organizations and contributors should be aware of the solicitation rules that may apply in their particular jurisdiction.

Establishing a New Charitable Organization

When no existing charity appears to have the capability to carry out an effective disaster relief or emergency hardship program, or when the potential organizers of the charity have long-term goals extending beyond the immediate crisis situation, it may be appropriate to consider establishing a new charitable organization. An organization qualifies as an exempt charitable organization if it is organized and operated exclusively for charitable purposes, serves public rather than private interests, and refrains from participating or intervening in any political campaign or engaging in substantial amounts of lobbying activity.

APPLYING FOR TAX-EXEMPT STATUS—Generally, a new charitable organization with actual or anticipated annual gross receipts in excess of $5,000 must submit an application for exemption and be recognized as tax-exempt by the IRS. There are exceptions to this general rule. Churches, synagogues, temples, and mosques may, but are not required to, apply for tax-exempt status from the IRS.

You may wish to consult the IRS website at www.irs.gov/eo, and review the following IRS resources when establishing a charitable organization:

Life Cycle of a Public Charity/Private Foundation
These life cycles, which can be accessed at www.irs.gov/eo contain links to helpful information about points of intersection between disaster relief organizations and the IRS, including access to explanatory information and forms that organizations may need to file with the IRS.

Publication 4220, Applying for 501(c)(3) Tax-Exempt Status
Provides information about eligibility for section 501(c)(3) status, how to apply for tax-exempt status and the responsibilities of section 501(c)(3) organizations.
Form 1023, Application for Recognition of Exemption from Federal Income Tax Under Section 501(c)(3) of the Internal Revenue Code
Applicants for tax exempt status under section 501(c)(3) generally must file Form 1023.

Publication 557, Tax-Exempt Status for Your Organization
Provides basic requirements to qualify as a tax-exempt charitable organization, and describes the application process.

EMPLOYEE IDENTIFICATION NUMBER (EIN)—An organization must obtain an employer identification number before it applies for tax-exempt status. An EIN is an organization’s account number with the IRS. It should be used on all correspondence with the IRS and must be entered on application forms as well as annual information and tax returns.

You can apply for an EIN:
➤ Online by clicking on the Employer ID Numbers link at www.irs.gov/businesses. The EIN is issued immediately once the application information is validated (Certain organizations, including those with a foreign address and certain LLCs may not file online.) This is the preferred application method.
➤ By telephone at (800) 829-4933 (a toll free number). International applicants must call (215) 516-6999 (not a toll free number). An assistor will provide the number to an authorized party by phone.
➤ By Faxing or mailing a completed Form SS-4, Application for Employer Identification Number, to the FAX numbers or address specified in the form instructions. The form and instructions are available on www.irs.gov or by calling (800) 829-3676.

If you have already applied for an EIN and have not yet received it, or you are not sure whether you have an EIN, call our toll-free customer account services number, (877) 829-5500 for assistance.

EXPEDITED PROCESSING OF APPLICATIONS FOR EXEMPTION—Normally, a Form 1023, Application for Recognition of Exemption under section 501(c)(3) of the Code, is processed in order based upon the date it is received; however, a new disaster relief or emergency hardship organization may request expedited handling of its application. An organization should only request expedited handling of its application if there is a compelling reason for the IRS to approve such a
request. An application will not be expedited simply because the organization may serve disaster victims. The organization must demonstrate that it is meeting an immediate need of disaster relief or emergency hardship victims and that its ability to provide immediate assistance to such victims will be adversely impacted in a material way if the application is not reviewed expeditiously. Requests for expedited handling are infrequently approved, and even if consideration of the application is expedited, there is no guarantee that tax-exempt status will be granted.

The request for expedited processing should accompany the application and user fee, and should include:

➤ a compelling reason to process the application ahead of others;
➤ a brief description of the disaster and details of how the organization will provide relief;
➤ an explanation of the immediate need for the specific disaster relief services the organization provides;
➤ a description of any pending grants, including information about the grantor and the amount or property to be received;
➤ an explanation of how the loss of the grant(s) might impact the organization’s ability to operate and provide relief;
➤ a description of any significant business emergency (such as an impending deadline imposed by a court or government agency) demonstrating that the business emergency will significantly impact the applicant’s ability to operate and explaining how expediting the application will enable the applicant to avoid the emergency;
➤ a statement explaining any other anticipated consequences should the expedited processing be denied; and the
➤ date an exemption letter is required, if applicable.

The following examples demonstrate the types of situations in which a request for the expeditious handling of an application for exemption would be appropriate or inappropriate.

**EXAMPLE 1:** An organization has a matching grant pending that would double the funds it has available to provide immediate counseling for children directly affected by an earthquake. The organization can only
receive the funds if it can prove that it is exempt under section 501(c)(3). Expediting the processing of the application under these circumstances is appropriate because the organization would otherwise lose this significant grant money that is to be used to provide counseling to children at a time when they most need it.

**EXAMPLE 2:** An organization plans to raise funds to be used to erect a monument to victims of a plane crash. Certain businesses and members of the general public have expressed interest in contributing to the project, however, there are no firm commitments for funding. While the organization intends to honor disaster victims, it is not providing disaster relief. Furthermore, there is no evidence that there are any significant grants pending or any other business reason to expedite consideration of the application. Expedited treatment of the application would not be appropriate.
PUBLIC CHARITY VS. PRIVATE FOUNDATION—Every exempt charitable organization is classified as either a public charity or a private foundation. Generally, organizations that are classified as public charities are those that:

➤ are churches, hospitals, schools, and qualified medical research organizations affiliated with hospitals, schools, colleges and universities;

➤ have an active fundraising program and normally receive a substantial part of their support in the form of contributions from publicly supported organizations, governmental units, and/or from the general public;

➤ normally receive not more than one-third of their support from gross investment income and unrelated business taxable income over the tax imposed on that income and more than one-third of their support from contributions, membership fees, and gross receipts from activities related to their exempt functions; and

➤ support other public charities.

Because public charities typically solicit funds from the general public and are generally subject to more public scrutiny and oversight in their daily operations, they are less restricted in the type of disaster assistance and emergency hardship relief they may provide than private foundations. See Employer-Sponsored Assistance Programs below.

Private foundations, in contrast, typically have a single major source of funding (usually gifts from one family or corporation), rather than funding from many sources. Many have as their primary activity the making of grants to other charitable organizations and individuals, rather than the direct operation of a charitable program.

Classification as a public charity or private foundation is important because different tax rules apply to the operations of each. Deductibility of contributions to a private foundation is more limited than deductibility of contributions to a public charity. In addition, private foundations are subject to excise taxes, including taxes on acts of self-dealing. For example, it is self-dealing if the income or assets of a private foundation are used by or for the benefit of a substantial contributor to the foundation or a person in control of the foundation, and the benefit is not incidental or tenuous.

**How Charitable Organizations Help Victims**

Charitable organizations can serve disaster victims and those facing emergency hardship situations in a variety of ways.

**AID TO INDIVIDUALS**—Organizations may provide assistance in the form of funds, services, or goods to ensure that victims have the basic necessities, such as food, clothing, housing (including repairs), transportation, and medical assistance (including psychological counseling). The type of aid that is appropriate depends on the individual’s needs and resources. Disaster relief organizations are generally in the best position to determine the type of assistance that is appropriate.

For example, immediately following a devastating flood, a family may be in need of food, clothing, and shelter, regardless of their financial resources. However, they may not require long-term assistance if they have adequate financial resources. Individuals who are financially needy or otherwise distressed are appropriate recipients of charity. Financial need and/or distress may arise through a variety of circumstances. Examples include individuals who are:

➤ temporarily in need of food or shelter when stranded, injured, or lost because of a disaster

➤ temporarily unable to be self-sufficient as a result of a sudden and severe personal or family crisis, such as victims of violent crimes or physical abuse

➤ in need of long-term assistance with housing, childcare, or educational expenses because of a disaster

➤ in need of counseling because of trauma experienced as a result of a disaster or a violent crime

**AID TO BUSINESSES**—Disaster assistance may also be provided to businesses to achieve the following charitable purposes:

➤ to aid individual business owners who are financially needy or otherwise distressed
➤ to combat community deterioration
➤ to lessen the burdens of government

An exempt charity can accomplish a charitable purpose by providing disaster assistance to a business if:
➤ the assistance is a reasonable means of accomplishing a charitable purpose; and
➤ any benefit to a private interest is incidental to the accomplishment of a charitable purpose

Once a damaged business has been restored to viability or a newly attracted business is self-supporting, further assistance from a charity is no longer appropriate. Charities that aid businesses should have criteria and procedures in place to determine when aid should be discontinued.

EXAMPLE: As a result of a tornado, the central business district of a community is severely damaged. Because of the devastation, the area has become blighted. No single business wants to begin restoration efforts until it can be assured that the whole business district will be restored. A charity may provide funds to begin rebuilding the infrastructure of the district, such as for roads, sidewalks, parks, sewers, and power lines. This type of assistance would accomplish a charitable purpose by combating community deterioration. Any benefit to the business is incidental to the public purpose accomplished by the charity's program of assistance to the community.

CHARITABLE CLASS—The group of individuals that may properly receive assistance from a tax-exempt charitable organization is called a “charitable class.”

A charitable class must be large enough or sufficiently indefinite that the community as a whole, rather than a pre-selected group of people, benefits when a charity provides assistance. For example, a charitable class could consist of all the individuals in a city, county or state. This charitable class is large enough that the potential beneficiaries cannot be individually identified and providing benefits to this group would benefit the entire community.

If the group of eligible beneficiaries is limited to a smaller group, such as the employees of a particular employer, the group of persons eligible for assistance
must be indefinite. To be considered to benefit an indefinite class, the proposed relief program must be open-ended and include employees affected by the current disaster and those who may be affected by a future disaster. Accordingly, if a charity follows a policy of assisting employees who are victims of all disasters, present or future, it would be providing assistance to an indefinite charitable class. If the facts and circumstances indicate that a newly established disaster relief program is intended to benefit only victims of a current disaster without any intention to provide for victims of future disasters, the organization would not be considered to be benefiting a charitable class.

Because of the requirement that exempt organizations must serve a charitable class, a tax-exempt disaster relief or emergency hardship organization cannot target and limit its assistance to specific individuals, such as a few persons injured in a particular fire. Similarly, donors cannot earmark contributions to a charitable organization for a particular individual or family.

**EXAMPLE 1:** Linda’s baby, Todd, suffers severe burns in a fire requiring costly treatment that Linda cannot afford. Linda’s friends and co-workers form the Todd Foundation to raise funds from fellow workers, family members, and the general public to meet Todd’s expenses. Since the organization is formed to assist a particular individual, it would not qualify as a charitable organization.

Consider this alternative case: Linda’s friends and co-workers form an organization to raise funds to meet the expenses of an open-ended group consisting of all children in the community injured by disasters where financial help is needed. Neither Linda nor members of Linda’s family control the charitable organization. The organization controls the selection of aid recipients and determines whether any assistance should be provided to Todd. Potential donors are advised that, while funds may be used to assist Todd, their contributions might well be used for other children who have similar needs. The organization does not accept contributions specifically earmarked for Todd or any other individual. The organization, formed and operated to assist an indefinite number of current and future disaster victims, qualifies as a charitable organization.

See the example in the section on **Gifts and Charitable Contribution Rules** for a situation where providing disaster assistance apart from a qualified charity is desirable.
EXAMPLE 2: A hurricane causes widespread damage to property and loss of life in several counties of a coastal state. Over 100,000 homes are damaged or destroyed by high winds and flooding. The group of people affected by the disaster is large enough so that providing aid to this group benefits the public as a whole. Therefore, a charitable organization can be formed to assist persons in this group since the eligible recipients comprise a charitable class.

EXAMPLE 3: A hurricane causes widespread damage to property and loss of life in several counties of a coastal state. In one of the affected counties, an existing charitable organization has an ongoing program that provides emergency assistance to residents of the county. A small number of residents of this county suffered significant injury or property damage as a result of the storm. The organization provided assistance to some of these individuals. The organization’s assistance was provided to a charitable class because the group of potential recipients is indefinite in that it is open-ended to include other victims of future disasters in the county.

NEEDY OR DISTRESSED TEST—Generally, a disaster relief or emergency hardship organization must make a specific assessment that a recipient of aid is financially or otherwise in need. Individuals do not have to be totally destitute to be financially needy; they may merely lack the resources to obtain basic necessities. Under established rules, charitable funds cannot be distributed to individuals merely because they are victims of a disaster. Therefore, an organization’s decision about how its funds will be distributed must be based on an objective evaluation of the victims’ needs at the time the grant is made. The scope of the assessment required to support the need for assistance may vary depending upon the circumstances.

A charity may provide crisis counseling, rescue services, or emergency aid such as blankets or hot meals in the immediate aftermath of a disaster without a showing of financial need. Providing such services to the distressed in the immediate aftermath of a disaster serves a charitable purpose regardless of the financial condition of the recipients. However, as time goes on and people are able to call upon their individual resources, it may become increasingly appropriate for charities to conduct individual financial needs assessments. For example, if a charity intends to provide three to six months of financial assistance to families to pay for basic housing because of a disaster or emergency hardship, it would be required to make an assessment of financial need before disbursing aid. While
those who may not have the resources to meet basic living needs may be entitled to such assistance, those who do not need continued assistance should not use charitable resources.

**NO AUTOMATIC RIGHT TO CHARITY AID**—An individual who is eligible for assistance because the individual is a victim of a disaster or emergency hardship has no automatic right to a charity’s funds. For example, a charitable organization that provides disaster or emergency hardship relief does not have to make an individual whole, such as by rebuilding the individual’s uninsured home destroyed by a flood, or replacing an individual’s income after the person becomes unemployed as the result of a civil disturbance. This issue is especially relevant when the volume of contributions received in response to appeals exceeds the immediate needs. A charitable organization is responsible for taking into account the charitable purposes for which it was formed, the public benefit of its activities, and the specific needs and resources of each victim when using its discretion to distribute its funds.

**SHORT-TERM AND LONG-TERM ASSISTANCE**—Often charitable organizations (or programs of existing charities) are established as a result of a particular disaster where both short-term and long-term assistance might be required. The following types of assistance, if based on individual need, would be consistent with charitable purposes:

- assistance to allow a surviving spouse with young children to remain at home with the children to maintain the psychological well-being of the family
- assistance with elementary and secondary school tuition and higher education costs to permit a child to attend school
- assistance with rent, mortgage payments or car loans to prevent loss of a primary home or transportation that would cause additional trauma to families already suffering
- travel costs for family members to attend funerals and to provide comfort to survivors.

**EXAMPLE:** A group of individuals are killed in a fire in a large office complex. A charitable organization was previously formed to assist needy individuals in the surrounding region. The charity determines that some victims’ spouses and dependents lack adequate resources to meet immediate basic needs; others have resources to meet these needs, but will likely have a continuing need for counseling, medical, housing, childcare, and education expenses. In this circumstance, the organization
can grant funds to assist in meeting current and continuing needs. The organization can also set aside funds for possible future needs. However, when payments are made out of the set-aside funds, they must be based on needs of victims’ families that exist at the time the payments are made.

**Documentation**

An organization must maintain adequate records to show that the organization's payments further the organization’s charitable purposes and that the victims served are needy or distressed. Charities must also maintain appropriate records to show that they have made distributions to individuals after making appropriate needs assessments based on the recipients’ financial resources and their physical, mental and emotional well-being. (See the *Victims of Terrorism Tax Relief Act of 2001* below for a modification to the documentation requirements.)

Generally, documentation should include:

- a complete description of the assistance provided
- costs associated with providing the assistance
- the purpose for which the aid was given
- the charity's objective criteria for disbursing assistance under each program
- how the recipients were selected
- the name, address, and amount distributed to each recipient
- any relationship between a recipient and officers, directors or key employees of or substantial contributors to the charitable organization
- the composition of the selection committee approving the assistance

**DOCUMENTATION OF SHORT-TERM EMERGENCY AID**—A charitable organization that is distributing short-term emergency assistance would only be expected to maintain records showing the type of assistance provided, criteria for disbursing assistance, date, place, estimated number of victims assisted (individual names and addresses are not required), charitable purpose intended to be accomplished, and the cost of the aid. Examples of such short-term emergency aid would include the distribution of blankets, hot meals, electric fans, or coats, hats, and gloves. An organization that is distributing longer-term aid should keep the more-detailed type of records described above.
**Reporting**

Most public charities and all private foundations are required to file an annual information return. Public charities file Form 990, *Return of Organization Exempt from Income Tax*, Form 990-EZ, *Short Form Return of Organization Exempt from Income Tax*, or Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required To File Form 990 or 990-PF*. Private foundations file Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*.

If a public charity carries on disaster relief activities as one of its three largest programs, it must describe the services provided in the Statement of Program Service Accomplishments on Form 990 or Form 990-EZ. See the form instructions for additional information about reporting obligations of public charities with respect to grants or other types of disbursements to individuals in connection with disaster relief programs. A public charity also may be required to complete Schedule F if it carries out foreign operations or Schedule I for grants or other assistance to individuals.

Similarly, if a private foundation carries on disaster relief activities as one of its four largest programs, it must describe the services provided in its summary of direct charitable activities on Form 990-PF. See the Form 990-PF instructions for further information about reporting disaster relief activities of private foundations such as grants or other types of disbursements to individuals.


**Victims of Terrorism Tax Relief Act of 2001**

The *Victims of Terrorism Tax Relief Act of 2001* (the “Act”) enacted on January 23, 2002 as P.L. 107-134, made significant changes in the rules regarding the tax treatment of distributions made by charities, including employer-sponsored charities, corporations, and others for disaster relief purposes. While the special statutory rule put in effect by section 104 of the Act and described below applies exclusively to the provision of disaster relief to victims of the September 11 terrorist
attacks and subsequent illnesses and deaths from anthrax inhalation, section 139 of the Internal Revenue Code (as added by the Act) is applicable to the tax treatment of disaster relief provided in many qualified disaster situations and is important to charities, donors, and others involved in the conduct of disaster relief programs.

The Technical Explanation of the Act indicates that, in light of the severity of the distress arising out of the attacks and the varied needs of the victims, a charity could pay a wide array of expenses and still be operating exclusively for exempt purposes. Through the Act, Congress made clear that, in appropriate situations, charities may provide more broad-based assistance and address the psychological needs, as well as the economic needs, of the victims. For example, payments to permit a surviving spouse to stay home with young children, tuition assistance to permit a child to remain in the same educational environment, mortgage payment assistance, and assistance with car loans to forestall losses that would cause additional trauma to grieving families, were permitted under the Act in the aftermath of the September 11 attacks. The Technical Explanation indicated that other types of assistance, that the scope of the tragedy made it difficult to anticipate, could also serve a charitable purpose. Accordingly, it was intended that the type of assistance that a charity may provide in disaster situations should be liberally construed.
APPLICATION OF THE SPECIAL STATUTORY RULE—As noted earlier, charities providing disaster relief assistance are generally required to make an assessment of a disaster victim's economic need except in the immediate aftermath of a disaster. In order to make it easier for charities and employers to quickly provide relief to the victims of the terrorist attacks on the United States of September 11, 2001, and the subsequent attacks involving anthrax, Congress made several modifications to the rules governing the tax treatment of distributions by charitable organizations to individuals and businesses for disaster relief purposes.

Section 104 of the Act provided that charitable organizations making payments to victims of the September 11 terrorist attacks and those who became ill or died from anthrax inhalation could make disbursements without the charity making a specific assessment of need. The special rule applies provided that the organization makes the payments in good faith using any reasonable and objective formula which is consistently applied. While the Act broadened the way in which charities providing September 11 relief could determine need, it did not change the requirements that payments must serve a charitable class that is large and/or indefinite in size and may not confer a private benefit.

In applying the special statutory rule, the IRS interprets:

➤ **good faith** to mean that the charity is applying its best efforts to accomplish its charitable purpose; and

➤ **a reasonable and objective formula that is consistently applied** to mean that the charity is using objective distribution criteria that take into account all pertinent circumstances, including the size of the distributions, to avoid impermissible private benefit.

Disaster relief payments made under the special rule are treated as payments related to the organization’s exempt purposes. Of course, charities still have the option to make the traditional assessment of need. Organizations are not required to use the special rule.

The special rule applies to both public charities and private foundations, and permits employer-sponsored private foundations to make such distributions to affected company employees. Under the special rule, a private foundation could make payments to employees and their survivors without liability for excise taxes for self-dealing. Instead, private foundations could use the relaxed assessment of need available to other charities.
INCOME TAX TREATMENT OF QUALIFIED DISASTER PAYMENTS—The Victims of Terrorism Tax Relief Act of 2001 also added section 139 to the Internal Revenue Code, effective for taxable years ending on or after September 11, 2001. Section 139 provides that qualifying disaster payments from any source, including employers, reimbursing or paying individuals’ specified expenses in connection with qualified disasters are not taxable as income and are not subject to employment taxes or withholding.

A qualified disaster is defined in section 139 as a disaster that:

- results from terrorist or military actions
- results from an accident involving a common carrier
- is a Presidentially declared disaster
- is an event that the Secretary of the Treasury determines is catastrophic

Qualified disaster relief payments within the meaning of section 139 include payments received (regardless of the source) for the following expenses:

- reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster
- reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence due to a qualified disaster (a personal residence can be a rented residence or one you own) and
- reasonable and necessary expenses incurred for the repair or replacement of the contents of a personal residence due to a qualified declared disaster

Payments by a federal, state, or local government or their agencies or instrumentalities to persons affected by a qualified disaster in order to promote general welfare are also considered to be qualified disaster relief payments. For purposes of such payments by federal, state, or local governments, a qualified disaster includes the events listed above, as well as a disaster determined by a federal, state, or local authority to warrant governmental assistance.

Qualified disaster relief payments do not include:

- payments for expenses otherwise paid for by insurance or other reimbursements, or
- income replacement payments, such as payments of lost wages, lost business income, or unemployment compensation
**Employer-Sponsored Assistance Programs**

Frequently, employers fund relief programs through charitable organizations aimed at helping their employees cope with the consequences of a disaster or personal hardship. As noted above, all charitable organizations, including those that provide disaster relief, must demonstrate that they serve a public rather than a private interest and serve a charitable class. In the past, employer-sponsored organizations were considered to enhance employee recruitment and retention, resulting in private benefit to sponsoring employers. In addition, there were concerns that employers could exercise undue influence over the selection of recipients. For these reasons, special rules apply to employer-sponsored charities.

Employer-sponsored charities sometimes establish emergency hardship funds to help employees who have been the victims of crime or a personal loss such as a fire or a sudden death in the family.

Not all employer-sponsored charitable organizations are permitted to provide assistance to employees and their families in any type of emergency hardship situations. The types of benefits a charitable organization can provide through an employer-sponsored assistance program depend on whether the employer-sponsored organization is a public charity, a donor advised fund, or a private foundation. When an employer-sponsored organization provides assistance to employees, certain limitations apply that help to ensure that such aid does not result in impermissible private benefit to the employer.

**EMPLOYER-SPONSORED PUBLIC CHARITIES**—Because public charities typically receive broad financial support from the general public, their operations are generally more transparent and are subject to greater public scrutiny. Accordingly, public charities may provide a broader range of assistance to employees than can be provided by donor advised funds or private foundations. Public charities can establish employer-sponsored assistance programs to respond to any type of disaster or employee emergency hardship situations, as long as the related employer does not exercise excessive control over the organization.

To ensure the program is not impermissibly serving the related employer, the following requirements must be met:

- the class of beneficiaries must be large or indefinite (a “charitable class”),
- the recipients must be selected based on an objective determination of need or distress, and
the recipients must be selected by an independent selection committee or adequate substitute procedures must be in place to ensure that any benefit to the employer is incidental and tenuous. The charity’s selection committee is independent if a majority of the members of the committee consists of persons who are not in a position to exercise substantial influence over the affairs of the employer.

If these requirements are met, the public charity’s payments to the employer-sponsor’s employees and their family members in response to a disaster or emergency hardship are presumed: (1) to be made for charitable purposes and (2) not to result in taxable compensation to the employees.

**EMPLOYER-SPONSORED DONOR ADVISED FUNDS**—Certain community foundations and other public charities maintain separate funds or accounts to receive contributions from individual donors, and the donor receives advisory privileges over investment or distribution of the donated funds.

In general, these organizations, known as donor advised funds, can make grants to 501(c)(3) public charities and, under certain conditions, to other organizations for charitable purposes, but cannot make grants to individual persons. However, there is an exception for certain employer-related funds or accounts established to benefit employees and their family members who are victims of a **qualified disaster**.

A donor advised fund or account can make grants to employees and their family members in the following circumstances:

- the fund serves the single identified purpose of providing relief from one or more **qualified disasters** as defined above in the discussion of the *Victims of Terrorism Tax Relief Act of 2001*
- the fund serves a charitable class,
- recipients of grants are selected based upon an objective determination of need,
- the selection of recipients of grants is made using either an independent selection committee or adequate substitute procedures to ensure that any benefit to the employer is incidental and tenuous (The selection committee is considered independent if a majority of its members consists of persons who are not in a position to exercise substantial influence over the employer’s affairs),
➤ no payment is made from the fund to or for the benefit of any director, officer or trustee of the sponsoring community foundation or public charity, or members of the fund’s selection committee, and

➤ the fund maintains adequate records to demonstrate the recipients need for the disaster assistance provided.

For a description of the types of records a fund must retain, see the previous section Documentation.

**EMPLOYER-SPONSORED PRIVATE FOUNDATIONS**—Like public charities, private foundations can make need-based distributions to victims of disasters or to the poor or distressed. However, several issues arise when an employer-sponsored private foundation provides aid that favors the employees of the sponsoring employer. The IRS has previously ruled that, because the availability of the disaster relief programs aided employers in recruiting and retaining a stable workforce, such programs conferred a significant private benefit on the sponsoring companies. However, after the September 11 attacks, Congress took the position that employer-sponsored private foundations should be able to provide assistance to employees in certain situations.

Accordingly, employer-sponsored private foundations may provide assistance to employees or family members affected by a qualified disaster, as defined in Section 139 of the Code and above in the *Victims of Terrorism Tax Relief Act of 2001*, as long as certain safeguards are in place to ensure that such assistance is serving charitable purposes, rather than the business purposes of the employer. Employer-sponsored private foundations can only make payments to employees or their family members affected by qualified disasters, not in non-qualified disasters or in emergency hardship situations.

The IRS will presume that payments in response to a qualified disaster, as defined above, made by a private foundation to employees (or family members of employees) of an employer that is a disqualified person (such as a company that is a substantial contributor) are consistent with the foundation’s charitable purposes if:

➤ the class of beneficiaries is large or indefinite (a “charitable class”),

➤ the recipients are selected based on an objective determination of need or distress, and
the 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. The foundation's selection committee is independent if a majority of the members of the committee consists of persons who are not in a position to exercise substantial influence over the affairs of the employer.

If the requirements of this presumption are met, the foundation's payments in response to a qualified disaster are treated as made for charitable purposes; do not result in prohibited self-dealing merely because the recipient is an employee (or family member of an employee) of the employer-sponsor; and do not result in taxable compensation to the employees.

The presumption described above does not apply to payments that would otherwise constitute self-dealing and subject the organization to excise taxes. For example, the presumption does not apply to payments made to (or for the benefit of) individuals who are directors, officers, or trustees of the foundation or members of the foundation's selection committee.

While a private foundation may fail to meet all of the requirements of the presumption, other procedures and standards may be considered to constitute adequate substitutes to ensure that any benefit to the employer is incidental and tenuous, when all the facts and circumstances are taken into account. Conversely, even though a private foundation meets the presumption, the IRS may still review the facts and circumstances to ensure that any benefit to the employer is tenuous and incidental. For example, a program may not be used to induce employees to follow a course of action sought by the employer or designed to relieve the employer of a legal obligation for employee benefits.

**EXAMPLE:** A for-profit company is located in an area of the country designated a Presidentially declared disaster because of hurricane devastation. A private foundation funded by the company establishes a new program to provide assistance to the company’s employees and their immediate family members who are victims of the current and any future qualified disasters. The foundation’s committee that selects recipients for assistance consists of a majority of members who are not in a position to exercise substantial influence over the affairs of the company. The foundation provides assistance to the employees and their families based on an objective determination of need.
The foundation’s program does not relieve the company of any legal obligation, such as an obligation under a collective bargaining agreement or written plan that provides insurance benefits. The company does not use the program to recruit employees to continue their employment, or to otherwise follow a course of action sought by the company.

Because the foundation serves a charitable class, provides assistance based on an objective determination of need, and has an independent selection committee, the IRS will presume that it is carrying out a charitable program. Distributions are neither self-dealing transactions between the foundation and the employer nor taxable compensation to its employees under the program.

See the Life Cycle of a Private Foundation at www.irs.gov/eo for information about foundation excise taxes, self-dealing and disqualified persons.

For a description of the types of records a private foundation must retain, see the previous section Documentation.

Special Tax Rules for Recipients of Disaster Relief Assistance

This part of the publication discusses special tax rules that apply to individuals who receive assistance from public charities, private foundations, employer-related charitable organizations, government entities and other sources in disaster situations.

Gross income, for federal income tax purposes, generally includes all income from whatever source derived, unless a specific exception applies. Whether a payment to a disaster victim constitutes gross income for income tax purposes or compensation subject to employment tax depends, in part, on the source of the payment.

CHARITABLE ORGANIZATIONS—Payments that individuals receive under a charitable organization’s program as a result of a disaster or emergency hardship are considered to be gifts and are excluded from gross income of recipients under section 102 of the Code. Payments from an employer-sponsored public charity or private foundation are also exempt from gross income as gifts so long as the requirements described above in Employer-Sponsored Assistance Programs are met.
An examination of the facts and circumstances surrounding a charity’s payment to a for-profit business will govern whether the business can exclude the amount paid from gross income as a gift under section 102 of the Code. The IRS will evaluate whether the charity intended the payment to be a gift, and was motivated by charitable impulses. If the payment was made out of a moral or legal obligation, an anticipated economic benefit or in return for services, the payment will not be excluded from income as a gift.

**FEDERAL AND STATE GOVERNMENT**—Generally, payments that individual disaster victims receive from governmental units under social programs for the promotion of the general welfare (i.e. based on need) are not included in the gross income of the recipients of the payments. In addition, certain payments that individuals receive from a state, federal or local government or agency thereof, in connection with a *qualified disaster*, as described above, are excluded from the gross income of the recipient under section 139 of the Code. See Direct Assistance from Employers and Other Sources below for additional information about the types of payments excluded from income and employment taxes under section 139.

**EXAMPLE:** An area within a state was affected by a hurricane that was a Presidential declared disaster. The state enacted emergency legislation to provide grants to pay or reimburse medical, temporary housing and transportation expenses incurred by individuals as a result of the flood that are not compensated by insurance or otherwise. Payments received under the state’s grant program are excluded from income under the general welfare exclusion as well as under section 139 of the Code.

**DIRECT ASSISTANCE FROM EMPLOYERS AND OTHER SOURCES**—In some instances a corporation or other non-exempt entity may choose to provide direct assistance to disaster victims rather than funneling its assistance through a charity or governmental entity. In addition, sometimes an employer may provide assistance through a non-exempt fund established to receive contributions from the employer as well as employees. In certain circumstances, payments from such sources may receive favorable tax treatment as well. As noted above, section 139 of the Code provides for special tax treatment of *qualified disaster relief payments* made to victims of a *qualified disaster*, regardless of the source. *Qualified disaster relief payments* are not included in the income of recipients to the extent that any expenses compensated by these payments are not otherwise compensated by insurance or other reimbursements. Qualifying payments are
not subject to income tax, self-employment tax, or employment taxes (Social Security, Medicare and federal unemployment taxes) even if the payments are made directly from an employer.

**EXAMPLE:** A for-profit corporation makes grants to its employees who are affected by a flood that was a Presidentially declared qualified disaster. The grants will pay or reimburse employees for medical, temporary housing, and transportation expenses they incur as a result of the flood that are not compensated for by insurance or otherwise. The corporation will not require individuals to provide proof of actual expenses to receive a grant payment. The corporation’s program, however, contains requirements (which are described in the program documents) to ensure that the grant amounts are reasonably expected to be commensurate with the amount of unreimbursed reasonable and necessary medical, temporary housing, and transportation expenses the corporation’s employees incur as a result of the flood. The grants are not intended to indemnify all flood-related losses or to reimburse the cost of nonessential, luxury, or decorative items and services. The grants are available to all employees regardless of length or type of service with the corporation.

The grants made by the employer are qualified disaster relief payments expected to be commensurate with the unreimbursed reasonable and necessary personal, living or family expenses of the employees not compensated by insurance or otherwise. The grants are excluded from the employees’ gross income under section 139.

**Gifts and Charitable Contribution Rules**

This part of the publication discusses the tax rules that apply to individuals who want to claim a tax deduction for their contributions to a qualified charitable organization. It also discusses the potential liability of donors for gift tax.

**Charitable Contributions**—Contributors to qualified domestic charitable organizations may be eligible to claim federal income tax deductions for their contributions if they file itemized tax returns. Qualified organizations include charitable organizations that the IRS has determined are exempt from federal income tax. Churches, synagogues, temples, and mosques are also qualified charitable organizations.
Domestic charitable organizations are those created under the laws of the United States or its possessions. For charitable contribution purposes, United States possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of Northern Mariana Islands.

See Publication 526, *Charitable Contributions*, for a complete description of qualified organizations.

Before making a contribution to an organization for disaster relief, a contributor may want to verify whether the contribution would be tax-deductible. A contributor may use any of the following resources to determine if the organization is qualified to accept tax-deductible contributions:

- Go to “Search for Charities” on the Charities and Nonprofits home page on IRS.gov to access an online version of Publication 78, *Cumulative List of Organizations described in Section 170(c) of the Internal Revenue Code of 1986*, for a list of qualified charitable organizations at www.irs.gov/eo
- Call IRS Exempt Organizations Customer Service at (877) 829-5500 (Toll-Free)

Potential contributors, like other interested members of the public, may obtain a copy of an organization’s exemption application or its recent annual information returns (Form 990, 990-EZ, 990-PF, or 990-N).

Contributors can contact the organization directly or submit Form 4506-A, *Request for Public Inspection or Copy of Exempt Organization IRS Form*, to the IRS to receive copies of the completed forms. Some organizations also post the forms on their website. An organization’s Form 990-N may be accessed via www.irs.gov/eo.

A contributor cannot claim a tax deduction for any cash, check or other monetary contribution to a qualified charitable organization made on or after January 1, 2007, unless the donor maintains a record of the contribution in the form of either a bank record (such as a cancelled check) or a written communication from the charity (such as a receipt or a letter) showing the name of the charity, the date of the contribution, and the amount of the contribution. For more information about contributions, see Publication 526, *Charitable Contributions*.

In addition, a donor cannot claim a tax deduction for any single contribution of $250 or more unless the donor obtains a contemporaneous acknowledgment of the contribution from the recipient organization. For detailed information on
what a charity is required to include in written acknowledgement statements given to donors, see Publication 1771, *Charitable Contributions—Substantiation and Disclosure Requirements*.

**FOREIGN CONTRIBUTIONS**—Contributions to qualified domestic charitable organizations that provide assistance to individuals in foreign countries qualify as tax-deductible contributions for federal income tax purposes, provided the U.S. organization has full control and discretion over the uses of such funds. If the contributor is a corporation, its contributions for use in a foreign country are not deductible unless the domestic charity is itself organized as a corporation for federal tax purposes.

Contributions to foreign organizations are generally not tax-deductible, unless permitted by a tax treaty. The United States currently has tax treaties with Canada, Mexico, and Israel. See Publication 526, *Charitable Contributions*, for limitations that apply pursuant to these treaties.

**GIFTS**—Individuals can also help victims of disaster or hardship by making gifts directly to victims. This type of assistance does not qualify as a tax-deductible contribution since a qualified charitable organization is not the recipient. However, individual recipients of gifts are generally not subject to federal income tax on the value of the gift. If you make a gift directly to an individual, you are not subject to federal gift tax unless the total gifts made in a year exceed the annual exclusion amount.

Sometimes providing financial assistance apart from a qualified charity is desirable.

**EXAMPLE:** Jim, a college student and a counselor at a summer camp, accidentally rolls his old truck into a lake. The other counselors collect several hundred dollars and give the monies directly to Jim to help with the down payment for another truck. Since the counselors are making gifts to a particular individual, the use of a qualified charitable organization would not be appropriate. The counselors cannot claim tax deductions for their gifts to Jim. However, Jim is not subject to federal income tax on the gift amount. The other counselors would not be subject to federal gift tax if the total gifts made by each counselor to Jim during the year did not exceed the annual exclusion amount.

For more information about the taxability of gifts, see Publication 950, *Introduction to Estate and Gift Taxes*. 

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Additional Help on Disaster-Related Topics
The IRS has a number of forms and publications on disaster relief and tax exemption that may be helpful to your organization.

FORMS AND PUBLICATIONS
To order free IRS publications and forms, call the IRS at (800) 829-3676. Download IRS publications and forms at www.irs.gov.

Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
Publication 526, Charitable Contributions
Publication 547, Casualties, Disasters and Thefts (Business and Non-Business)
Publication 557, Tax-Exempt Status for Your Organization
Publication 561, Determining the Value of Donated Property
Publication 584, Casualty, Disaster and Theft-Loss Workbook (Personal Use Property)
Publication 584-B, Business Casualty, Disaster, and Theft Loss Workbook
Publication 950, Introduction to Estate and Gift Taxes
Publication 1600, Disaster Losses—Help From the IRS
Publication 1771, Charitable Contributions—Substantiation and Disclosure Requirements
Publication 2194, Disaster Assistance Kit for Individuals
Publication 2194-B, Disaster Losses Kit for Businesses

TELEPHONE ASSISTANCE
The following telephone numbers will connect you to IRS customer service.

(877) 829-5500
IRS Exempt Organizations Customer Account Services
for tax information specific to exempt organizations

(215) 516-2000
IRS International Customer Service
for tax information specific to foreign tax issues

(800) 829-1040
IRS Customer Service
for general tax information
APPENDIX 4
Central Coordinating Data Base
Release of Confidential Information and Waiver

A. I, We hereby authorize the Central Coordinating Data Base to release to the agency or persons designated below any information maintained by the Oklahoma City Resource Committee that is relevant for the purpose of providing assistance for my needs and/or the needs of my family caused by the explosion at the Alfred P. Murrah Building on April 19, 1995.

B. I, We hereby authorize the agency or person designated below to release to the Oklahoma City Resource Committee or person designated below any information maintained by the agency or person that is relevant and necessary for the purpose of providing assistance for my needs and/or the needs of my family caused by the explosion at the Alfred P. Murrah Building on April 19, 1995.

C. For myself and anyone making claims on my behalf, I waive any claims regarding the release of confidential information as authorized here, as well as any claims arising out of the decision to and the manner or method of providing assistance and hold harmless any organization or agency from all such claims.

D. I further understand that the release of this information does not guarantee that assistance will be provided, but that without the information my case may not be presented for consideration by members of this committee.

E. Name of Agency or Persons Designated (see A. & B.):
FEMA, Red Cross, Salvation Army, Feed The Children, Community Foundation, United Way, Interfaith, Project Heartland, any schools, colleges, universities and/or agencies listed on the "Quick Guide to Human Services" on the reverse side of this release, or

F. The exchange of information regarding my needs or the needs of my family are limited to the following agencies:

G. Registration with FEMA has been made and my FEMA number is

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I am the parent or legal guardian of a minor child named:
(For use when child was injured or deceased as a result of the Oklahoma City Explosion)

May 25, 1995