

Puerto Rico Agricultural Relief Fund Specifics

- Agriculture producers in Puerto Rico with agriculture-related losses or expenses resulting from Hurricane Maria's winds and flooding may qualify for assistance from the Fund.
- A valid Farmer's Certificate from the Puerto Rico Department of Agriculture for the person applying must be included in the application.
- Final reimbursement decision will be made by the Puerto Rico Agricultural Relief Committee appointed by the President of the Texas Farm Bureau Agriculture Research and Education Foundation.
- 100% of donations collected will be distributed to those who incurred losses related to Hurricane Maria in Puerto Rico.
- Contributions to the Foundation are tax deductible.

Internal Revenue Service Regulations Regarding Tax Deductible Disaster Relief Funds

Puerto Rico Agricultural Relief Fund charitable donations applicable to Texas Farm Bureau Agriculture Research and Education Foundation:

Donations of cash or checks:

1. Checks should be made payable to Texas Farm Bureau Agriculture Research and Education Foundation ("Foundation"), and all monetary amounts paid to the Foundation are tax deductible as a charitable contribution.
2. A County Farm Bureau may contribute to the Foundation as well. The amount is deductible as a charitable donation on the CFB's Form 990-T.
3. The donor is responsible for obtaining from the Foundation an acknowledgement if the amount contributed is \$250 or more before the donor can deduct the amount as a charitable donation on the applicable federal income tax return. The donor will need to provide a return address at the time the donation is made. (Staff will send the acknowledgement letter from Texas Farm Bureau President Boening.)

Highlights of Disaster Relief rules from the Internal Revenue Service:

1. Individuals receiving assistance from the Foundation are not subject to federal income tax on the value of the assistance.
2. The Foundation must be given full control and authority over the program.
3. The individuals receiving assistance must belong to a large or indefinite class that providing aid to the members of the class benefits the community as a whole.
4. The Foundation cannot target and limit its assistance to specific individuals.
5. Donors cannot earmark contributions to the Foundation for a particular individual or family.
6. The Foundation 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 necessities.
7. Charitable funds cannot be distributed to individuals merely because they are victims of disasters.
8. The Foundation's decision about how its funds will be distributed must be based on an objective evaluation of the victim's needs at the time the grant is made.

IRS rules on documentation:

1. The Foundation must maintain adequate records that demonstrate the victims' needs for the assistance provided.
2. Documentation should include
 - a. Complete description of the assistance
 - b. The purpose for which the aid is given
 - c. The Foundation's objective criteria for disbursing assistance
 - d. How the recipients were selected
 - e. Name, address, and amount distributed to each recipient
 - f. Any relationship between a recipient and officers, directors, key employees or substantial contributors
3. The contributor must substantiate the amount of the contribution by maintaining reliable written records, such as cancelled checks or receipts.
4. The contributor is responsible for obtaining a written acknowledgement from the Foundation for any single contribution of \$250 or more before the contributor can claim a charitable donation on his/her tax return.
5. Written acknowledgment must include the name of the foundation, amount of cash contribution, description (but not the value) of non-cash contribution, and statement that no goods or services were provided by the organization in return for the contribution.
6. Written acknowledgements are required to be sent to the contributor no later than January 31 of the year following the donation.