

EMPLOYEE CRISIS FUND

FACT SHEET

COMMUNITY FOUNDATION OF NEW JERSEY

“What can we do to help?”

When tragedy strikes, caring companies and their employees are eager to help their fellow workers. To channel and focus the desire to assist those in need most effectively, the Community Foundation of New Jersey has created a tax-deductible, charitable solution for employers – employee crisis funds.

An employee crisis fund provides a way for the company and its employees to support fellow employees who are experiencing a financial hardship resulting from a sudden, severe, overwhelming and unexpected event that is beyond their control. The event results in an inability to provide basic life necessities and exhausts the employee's means to cope with the situation. Charitable aid is available to help people obtain necessities that will re-establish their physical, mental and emotional well-being. An employee crisis fund is not intended to make an individual whole, or to replace lost income, but rather to provide short term relief.

NEXT STEPS

- The company creates an Employee Crisis Fund at the **Community Foundation of New Jersey** to help employees experiencing serious financial hardship due to tragedy beyond their control. CFNJ staff work closely with the company to develop 1) guidelines for the types of assistance the company wants to provide, 2) objective and nondiscriminatory eligibility criteria, and 3) informational materials and applications.
- The company earns a charitable deduction and relinquishes all legal ownership and control of the funds (that's what makes it charitable). The **Community Foundation** handles the details from here, processing all employee applications and ensuring privacy and fairness.
- While funds are most often founded with contributions from the company, employees may also be encouraged to make donations at the outset or over time.
- Employees who need assistance are encouraged to apply to the fund for company-defined support that could, for example, include helping pay for essential living expenses like medical, housing, and utilities bills.
- When applications come in, they are reviewed by the staff of the **Community Foundation** against the company's defined criteria.
- The company is shielded from individual award decisions. The **Community Foundation**, in its sole discretion determines incident eligibility and award amount. Not all applicants will receive an award. However, provided the Fund has sufficient resources, most applicants will be funded at some level.

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NEXT STEPS (continued)

- When a distribution from the Fund is approved, checks are not written to the individual; they are written to entities like the electric company to pay overdue bills or for expenses that result from the crisis/tragedy.
- Contributions into the Fund cannot be made to benefit any one person or family.

IMPORTANT GUIDELINES

- The fund cannot meet the employer's legal obligations under any employment or collective bargaining agreement.
- An individual's employment with the company cannot be relevant except as an initial qualifier; the individual's employment status cannot affect the amount or type of aid provided.
- Requested relief must be the result of an event that has occurred after the employee's hire date.
- The employer may not use the fund to recruit new employees or retain existing ones.
- All employees must be informed of the existence of the fund and their eligibility.
- The beneficiaries of the fund must constitute a charitable class that is either indefinite (open ended) and/or of sufficient size and which is not organized or operated to benefit particular individuals. The application and award process is objective and nondiscriminatory.

SOME OF OUR PARTNERS



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on Employee Crisis
Funds, please contact

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