



Employee Crisis Fund

When employees experience an emergency, the impact can extend to their employer, affecting morale, performance, attendance and turnover.

Employers can protect themselves and their human capital by establishing a means of support for employees in times of unforeseen hardship. An emergency crisis fund aids individuals or employees and their families experiencing situations that have an adverse financial impact. The fund may be supported with contributions from employees, as well as discretionary contributions or matching funds from the employer.

When a crisis fund operates through a qualified public charity, contributions (from employees as well as from the organization) are tax-deductible, and employees don't pay taxes on the grants they receive. Employers can set up a nonprofit entity to receive contributions and disburse grants, or partner with an organization like the [Give Back Foundation](#) to administer the fund.

To receive emergency assistance, employees submit applications including documentation that the situation has caused them financial hardship that cannot be covered by their income, insurance, community programs or social services. Qualifying emergencies are defined as:

Qualified disaster:

- Results from terrorist or military actions
- Results from an accident involving a common carrier
- Is a Presidentially-declared disaster
- Is deemed catastrophic by the Secretary of the Treasury

Personal hardship:

- Serious illness or injury
- Undue hardship not caused by applicant
- Fire, flood or natural disaster
- Military deployment
- Violent crime
- Death

The fund will not provide monetary support for individuals experiencing financial hardship connected to or arising out of the following situations:

- Indebtedness caused by an individual's financial mismanagement
- Vacation expenses or voluntary leaves of absence from work



- Income tax liability
- Cosmetic surgery, including dental and eye procedures
- Attorney fees
- Divorce, marriage, or adoption fees
- Insured losses or payment of insurance premiums
- Phone bills or cable TV fees
- Utility expenses
- Normal health maintenance costs
- Car maintenance or payments
- Any other expense covered by other means

Grant applications are reviewed by an independent committee (separate from the employer). For example, the Give Back Foundation appoints committees for its client companies. The employer sets specific criteria for the application, selection and disbursement of funds. Applicant confidentiality is strictly maintained.

Employers reinforce a culture of caring with the addition of an employee crisis fund. Not only does the individual benefit, but benefits across the organization can include reduced employee turnover, increased morale, and enhanced productivity.