

### **Holiday Fun or Holiday Fund?**

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With the holidays rapidly approaching, we have had questions arise regarding employee appreciation funds. Here are a few of the key issues. First, contributions to the holiday fund need to be truly voluntary. It is important for providers to ensure that residents do not feel coerced (whether by the provider or by other residents) to contribute. Many providers have implemented mechanisms to allow residents to make contributions anonymously, such as by having a secure drop box. Providers should take care to ensure that staff who will be receiving distributions are not told who contributed or how much they contributed. (Most providers have no gratuity rules to ensure that staff does not provide preferential treatment to residents. The holiday fund should be handled in a manner that maintains this “no favoritism” goal.)

In communities where the resident council takes responsibility for collecting funds and making distributions, management should work with the council to ensure that there is no coercion and that distributions are made in a non-discriminatory fashion. We recently learned of a situation where fund contributions went into a bank account controlled solely by a single resident. It goes without saying that this is not a good idea.

It is best practice to have objective criteria for how much each employee receives from the fund. This may include minimum hours worked during the year to qualify, pro rata shares based on hours worked, additional shares based on longevity, and the like. Management should not receive distributions.

Here’s hoping these tips help make sure the holiday fund leads to holiday fun. Happy Holidays!