



Employee Disaster Funds

Providing the support your employees need when disaster strikes

The need for Employee Disaster Funds

Introduction

Climate-related disasters are increasing in severity and frequency. In 2017, we saw the highest number of floods, hurricanes and wildfires, with [costs exceeding \\$300 billion nationally](#). In the wake of disasters, corporate responsibility professionals are often asked by senior leadership and employees, “How can we help?” And when a disaster impacts a company’s own employees, the desire to support fellow co-workers is even stronger.

What is an Employee Disaster Fund?

An Employee Disaster Fund (EDF) is an employer-sponsored charitable fund that helps employees impacted by a qualified disaster. It provides timely financial assistance covering incident-related expenses. By providing employees with the ability to help themselves and each other, employers also benefit by fostering a supportive and inclusive workforce.

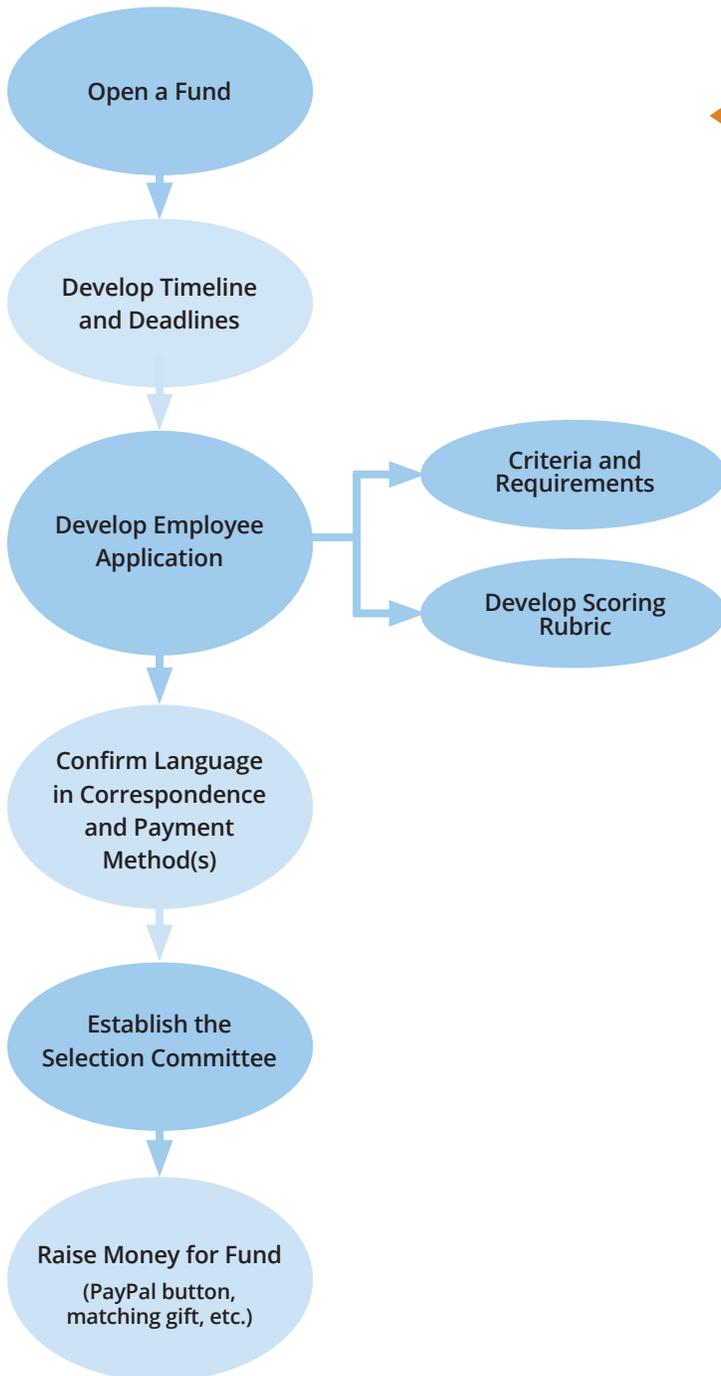
Traditionally, employees have helped affected colleagues by ‘passing the hat’ or creating a ‘GoFundMe’ webpage. While they can be well-intentioned, these options have limitations, are unregulated, and are less versatile and effective than establishing an EDF. They can even be abused as vehicles for fraudulent fundraising activities.

“Passing the hat” and online fundraising	Employee Disaster Fund
Grants are not tax deductible	Provides tax benefits to both the donor (tax receipt) and the recipient (tax free) and is designed to be fully compliant with IRS regulations
Is inherently public	Provides confidentiality for the applicant
Disbursement process is undisclosed	Grants award process is standardized
Donations are based on social connections, which creates inconsistencies	Donations are based on agreed upon criteria, creating a more equitable approach
Set up occurs post-disaster without advance planning	Allows pre-planning, set up and fundraising before a qualified disaster event occurs
Increases company risk and may not comply with federal and state EEOC regulations and/or company HR policies	Reduces company risk and ensures compliance as an EDF program is compliant with IRS, and federal and state EEOC regulations

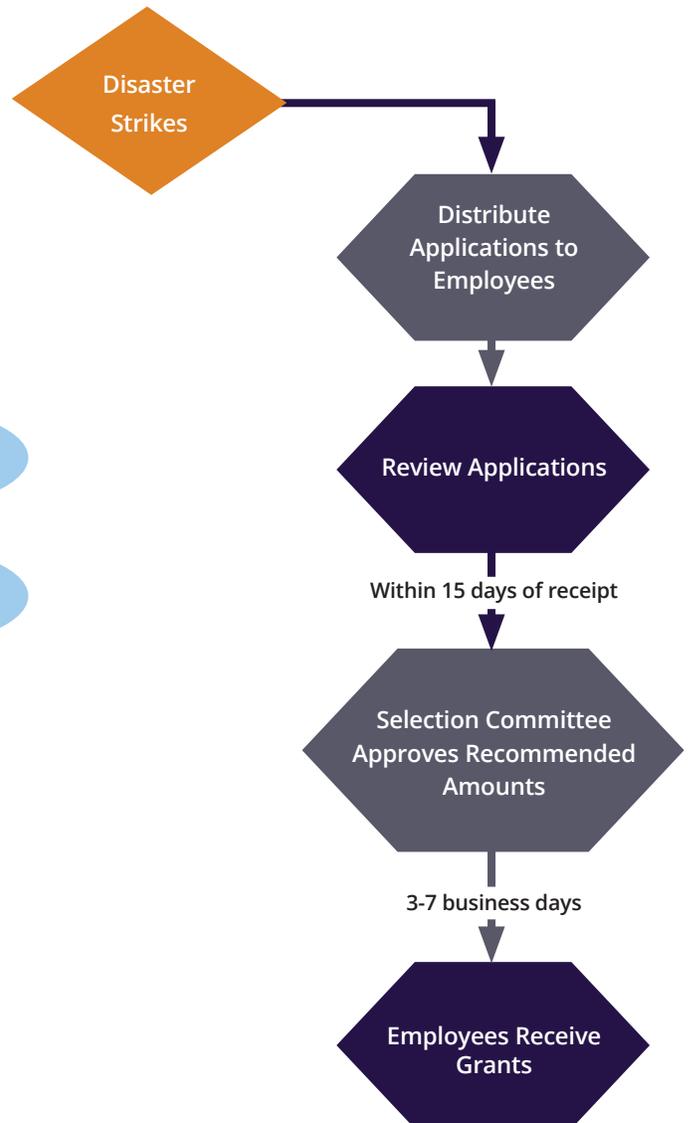
For definitive tax information and guidance, donors and recipients should consult with their tax advisors.

Employee Disaster Fund Process

Pre-Disaster



Post-Disaster



Contact Silicon Valley Community Foundation to learn more about EDFs and other SVCF corporate services at donate@siliconvalleycf.org.



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Headquarters:

2440 W. El Camino Real, Suite 300 • Mountain View, CA 94040

T: 650.450.5400

About Silicon Valley Community Foundation

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More Information

If you have questions, please contact us at donate@siliconvalleycf.org