

EMPLOYEE APPRECIATION FUND GOVERNING PRINCIPLES

EAF Committee June 2018

The Residents' Council (RC) appointed an Ad Hoc Committee in February 2018, charged with reviewing and revising the Employee Appreciation Fund Policy (EAF). The Committee work included a review of past studies of 2014 and 2015, as well as discussion from the former PCA—now RC—at the PCA 2015 meeting and subsequent resident workshop sessions on February 18, 2015, and May 31, 2015. The Residents' Council, on behalf of the residents of Oak Hammock, adopts the following as the principles governing the Employee Appreciation Fund (the "EAF") and its administration going forward, effective this eighth day of June 2018 (the "Effective Date").

1. The EAF program is a voluntary program. It is considered to be a desirable program and shall be continued in accordance with the principles as set forth in this document.
2. The program began as a resident initiative and should continue as a resident sponsored and approved program. The governing criteria by which awards are made shall be adopted by the RC acting on behalf of the residents.
3. Each year, the RC President shall appoint a resident (who may, but need not, be a member of the RC) to be the EAF Coordinator for the program for that year. The EAF Coordinator shall be responsible for overseeing the solicitation of contributions from residents (including without limitation overseeing the providing of notices to residents and otherwise encouraging the residents to make contributions) and performing the other tasks assigned to such person by this document.
4. The Oak Hammock Accounting Department (the "Department") shall be asked to continue to administer the program from an accounting and tax reporting standpoint. Each year, using the criteria adopted by the residents and acting strictly in an administrative capacity, the Department shall prepare a schedule of payments to be made and, after approval by the EAF Coordinator, shall issue checks in accordance with the approved schedule.
5. Amounts paid shall be considered as taxable income to the recipients and shall be subject to proper income and employment tax withholding and reporting. We have been advised that contributions to the fund are not deductible as charitable contributions for federal income tax purposes.
6. Amounts are to be paid once a year in November but contributions will be accepted throughout the year.
7. Only "Eligible Employees" (as defined in paragraph 9 below) shall receive regular awards. The total amount collected in a year by the contribution cutoff date established by the EAF Coordinator, less the amounts set aside as provided in paragraph 10 below, shall be the "Award Pool" to be distributed to the Eligible Employees. Each Eligible Employee shall receive a regular award according to the agreed upon Calculation Procedure (attached), based on "Eligible Hours".
8. Eligible Hours shall be all hours worked by full- and part-time employees (including hours for paid vacation and other paid leave) during the 12-month period ending on the "Eligibility Cutoff Date" (as defined in the next sentence); provided that the maximum number of Eligible Hours for any one Eligible Employee shall not exceed 2,080 for any such 12-month period. The Eligibility Cutoff

Date shall be established by the EAF Coordinator. The first payday in November is recommended.

9. Eligible Employee shall mean any person who is an employee of Oak Hammock at the University of Florida, Inc. ("OH") on the Eligibility Cutoff Date, including full time, part time and as needed employees. Notwithstanding the foregoing, the following persons shall not be considered as Eligible Employees (it is recognized that a person may be ineligible under more than one category):
 - a. Any employee who is entitled to receive a commission or bonus.
 - b. Any person who, on the Eligibility Cutoff Date, has not then satisfied his or her 90-day probationary period.
 - c. Any contractor with OH and any employee of any such contractor. Without limitation, at the present time, this would exclude, among others, employees of the contractors providing grounds maintenance, physical (including speech and occupational) therapy, and dental services, as well as persons provided under contract with the University of Florida for health services and service at the Fitness Center.
 - d. Any employee serving as the Director of a Department (including the Director of Community Services, the Director of Dining Services, the Director of Human Resources, the Director of Plant Operations, the Health Care Administrator, the Director of Marketing, the Director of the Fitness Center, the Director of Rehab, and the Director of Nursing), and any licensed doctor, dentist, nurse practitioner or social worker whose employment involves providing such professional services, together with any employees serving in positions similar to any of the foregoing.
10. Special Rule for Fitness Center workers, excluding the Director thereof. Although workers in the Fitness Center (see paragraph 9(d) above) are not Eligible Employees, each of such persons (except the Director of the Fitness Center) who works as an intern or as an employee of the Fitness Center on the Eligibility Cutoff Date shall be entitled to an award of \$25. The aggregate amount needed to make such payments shall be set aside for this purpose and shall not be included in the Award Pool for regular awards.
11. The provisions of this document may be changed at any time by the residents acting through the RC. Accordingly, no employee or other potential recipient of an award shall have any contract or other rights based on this document or the existence of the award program. Unless otherwise noted, any changes made by the residents acting through the RC shall be effective immediately, but no change made after the Eligibility Cutoff Date for a year shall impact the awards to be paid for the 12-month period ending on such Eligibility Cutoff Date.

Key Differences from Existing Program:

1. Excludes directors and above from eligibility for awards. The belief here is that usual corporate practice in this country compensates managerial and professional positions based on performance and "tip-like" compensation is not appropriate for this class of employees, however valuable the individuals may be.
2. Excludes nominal awards to probationary employees. In past years each received a nominal \$25 award.
3. Sets forth in greater detail the mechanics of how the awards are calculated and who is eligible. These added details are intended to make clear that the principles are set by the RC acting on behalf of the residents and can be changed at any time.

Employee Appreciation Calculation Procedure

Revised June 1, 2018

Approved _____, 2018

The procedure for calculating the Employee Appreciation check amounts is as follows:

- Payroll, in consultation with HR, will prepare a list of all employees who have completed the 90-day introductory period prior to the “cutoff” date and will, from the list, segregate those employees who are specifically excluded from the EAF pool pursuant to the guidelines established by the Residents’ Council, including those who are eligible for bonus/commission payments. The remaining employees will become the “eligible employees”.
- Prior to calculating the amount of each eligible employee’s award, the funds needed for the Fitness Center employees’ awards will be deducted from the total.
- The funds collected through the efforts of the Residents’ Council committee with the assistance of Oak Hammock accounting will be totaled.
- Each eligible employee’s hours for the 12 months prior to the “cutoff” date will be calculated from the payroll system, yielding “total hours worked”. For the purposes of this award, no employee will be credited with more than 2080 hours - the equivalent of a 40-hour work week for one year.
- The sum of the individual eligible employees’ “total hours worked” will be divided into the total amount of the current year’s fund balance remaining after deducting the amount for the Fitness Center employee awards. This yields the “amount per hour” that each eligible employee will receive.
- Each eligible employee’s “total hours worked” will be multiplied by the computed “amount per hour” to derive the amount of the check each will receive, subject to withholding.
- Each check will be drawn as a “paper check” so that it can be handed to the eligible employee by a representative of the Residents’ Council along with our thanks. Arrangements for distribution at other than “normal hours” will be made by the Residents’ Council. Electronic payment will not be available.