

Does My Organization Really Need an Employee Handbook?

Despite the fact that there are no state or federal laws that require an employer to have and provide handbooks to their employees, it's almost universally agreed that having and using a well-drafted, comprehensive, and easy to understand handbook serves a number of legal, practical, and risk preventative purposes, and nonprofits are no exception.



Ideally, handbooks not only provide clear and specific information on a large number of important topics to employees, about both their employment and their employer, but they also provide specific notices to the employee about their rights. These often include rights to any job-protected leave, communication of zero-tolerance policies, information on employee benefits, and much more. If applicable, the handbook is also used to establish and clarify the at-will nature of the employment relationship, performance and disciplinary expectations, and policies on vacation and holiday benefits.

However, even well-crafted handbooks can be victims of the passage of time, as well as changes that take place in the law and in the workplace. Regulatory and legislative action can change what an employer is required to do with regard to their employees — often without time to adequately prepare for that change. In their efforts to remain compliant with these changes, employers should be prepared to revise and update any applicable policies in their handbook to reflect new legal realities.

Similarly, if an employer has always had fewer than 50 employees and later increases their workforce to 51 employees, they would then become subject to a number of new laws. The best example would be the fact this employer, who once was not subject to the Family Medical Leave Act (FMLA) leave laws, would now be required to provide their employees FMLA. In this case, the handbook that never needed an FMLA policy would have to be revised to ensure employees were aware of their newly acquired rights.

Thus, by their very nature, employee handbooks should never be considered “carved in stone.” They should be reviewed on a regular basis, annually at a minimum. This review should be performed by experienced employment law counsel to ensure that any and all recent legal and workplace developments are taken into consideration in the review and revision process.

As a reminder, nonprofits with Directors & Officers insurance coverage through the Nonprofits Insurance Alliance Group have access to free, unlimited consultations with an

Employment Risk Manager. If you'd like to request an employment consultation, leave a voicemail at 831-621-6130 or send an email to eriskmanagement@insurancefornonprofits.org.

Nonprofits with Directors & Officers coverage also have access to the Thompson Handbook Builder, a browser-based handbook system created in partnership with Jackson Lewis LLP, a leading labor and employment law firm. This service is available at a subsidized cost for member-insureds, for which we pay two-thirds for the first year and half in subsequent years. With this service, members will begin with a handbook that is compliant with current law, and will be alerted to pertinent legal changes as they occur at both the state and federal level. For more information on this and other resources, please contact Member Services at memberservices@insurancefornonprofits.org.

If your nonprofit is not a member of the Nonprofits Insurance Alliance Group and you'd like to learn more about joining our community, please check out our [list of coverages](#) as well as the [benefits of membership](#), or simply send an email to info@insurancefornonprofits.org!