

Winter/Spring, 2020

# THE STEWARD

Trustworthy insights into the current concerns of churches

Financial Controls & Best Practices  
Coronavirus Outbreak  
Medical Marijuana & Employment Issues  
Volunteers on Mission Trips  
Workplace Safety/Active Intruder



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# FINANCIAL CONTROLS

## AND BEST PRACTICES FOR CHURCHES

*Provided by: the Rev. Dr. Todd A. Adams, President, the Pension Fund of the Christian Church (Disciples of Christ)*

When facilitating conversations and training sessions on Financial Ethics and Best Practices for congregations and non-profits, a frequent discussion starter is “what comes to mind when you think of the person who handles money for your organization?” The majority response from participants is “trusted” or “trustworthy” – a requisite characteristic which often serves as the organization’s primary internal control. Admittedly, the question is a set-up, because the next conversation is about how trust is **NOT** an Internal Control.

During my service as Associate General Minister and Vice President for the Christian Church (Disciples of Christ), my team investigated several financial mismanagements or employee thefts. Commonly, trust was the primary internal control, expenses and corporate credit cards were loosely monitored, management letters were not provided to the board, and financial statements were walked into board meetings last-minute, leaving the board members insufficient time to review.

Often, internal controls and accountable processes are viewed as burdensome by smaller organizations. Even a small organization needs good processes to cover the basic controls for how money is received, donors are credited, and how expenses are paid and tracked.

Consider the theological context: We invite members to make gifts to the church to foster mission – the gifts of God / from the people of God / for the work of God / in the world. Are we handling the gifts in a manner that is holy or in a manner reflecting the missional purpose for which the gifts are given? Are we protecting servants of the church from being wrongly accused of mismanagement by having transparent and accountable processes?

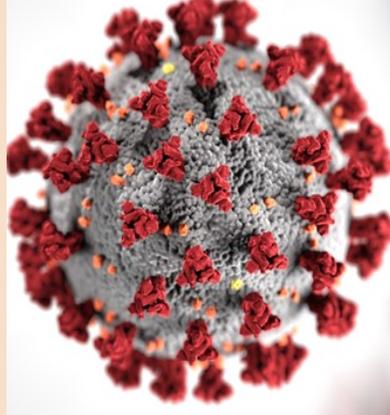


**Here are some basic suggestions for developing accountable processes for counting and receiving gifts:**

- Ensure gifts remain in dual custody, e.g. the offering on Sunday morning or checks from donors in the mail should be handled by two unrelated individuals.
- Conduct counts by each counter in the same room at the same time to verify the same total. Cash should be noted. Checks should be copied and secured for entry into the donor tracking software.
- Provide a standardized form for counters to complete and sign.
- Deposit money the day it is received; it should not be left in a floor safe, the secretary’s desk drawer, or the treasurer’s mail slot. If you cannot do same day deposit then the church should consider on-line giving exclusively.
- Work with your local bank to secure one tamper-proof bag per service for each week of the year. Date and label the bags such as Jan. 15, 8:30; Jan. 15, 10:45; Jan. 22, 8:30; and Jan. 22 10:45. Labeling the bags creates a controlled environment because it would be noticed if a bag is missing.
- Have a process to check totals. Does the deposit match what was entered into the giving records and the deposit receipt from the bank?

*Continued on page 7*

# WORKPLACE SAFETY PRECAUTIONS DURING THE CORONAVIRUS OUTBREAK



**COVID-19**  
CORONAVIRUS DISEASE 2019

*Provided by: Ryan Neumeyer, McDonald Hopkins*

Any time there is a widespread virus outbreak, OSHA advises employers to identify risk levels in workplace settings and implement appropriate response measures and encouraging employees who are ill to stay home. In addition, employers should reduce the frequency, proximity and duration of contact between people (both employees and customers) to reduce the opportunity for spreading a virus. OSHA has suggested the following precautions be implemented in every workplace in the case of a pandemic:

- Encourage sick employees to stay home. Such absences may qualify for leave under the FMLA.
- Encourage employees to wash their hands frequently with soap and water, or use sanitizer if soap and water are not available.
- Encourage employees to avoid touching their nose, mouth and eyes.
- Provide customers and the public with tissues and trash receptacles, in addition to a place to wash or disinfect their hands.
- Encourage employees to cover their coughs and sneezes with tissues.
- Encourage employees to wash their hands or use hand sanitizer after they sneeze or cough.
- Avoid close contact with coworkers and customers (maintain separation of at least six feet).
- Avoid shaking hands and always wash hands after contact with others.
- Discourage employees from using other employees' phones, desks, or other work tools and equipment.
- Use email and phones to communicate as much as possible. Minimize meetings. When meetings are necessary, avoid close contact by keeping separation of at least six feet where possible.
- Ensure proper ventilation in the meeting room.
- Reduce all visitors as much as possible. If family visitors are allowed on site, the employer should consider restricting or eliminating that option during a pandemic.

In addition to addressing safety concerns that will arise during a pandemic, employers must avoid potential liability as they respond to the crisis. With respect to job applicants, the EEOC notes that the Americans with Disabilities Act (ADA) operates normally to preclude all disability-related questions and medical exams until after a conditional offer has been made.

With respect to current employees, a pandemic would provide sufficient justification to require employees to receive a medical exam to determine whether they are infected. Further, the ADA always allows voluntary medical exams, provided that an employer complies with the confidentiality requirements of the ADA. The EEOC has recommended a model survey that could be issued to all employees in preparation for a pandemic.

<[https://www.eeoc.gov/facts/pandemic\\_flu.html](https://www.eeoc.gov/facts/pandemic_flu.html)>

It is possible that an infection could create a reasonable accommodation issue under the ADA if the sickness left the employee with a lingering condition that was disabling. It is more likely that those who are infected (or suspected) may be able to prove that they were regarded as being disabled. Practically speaking, infected employees must be treated the same as non-infected under the ADA, so long as they are physically and mentally able to effectively perform the essential functions of the job (with or without a reasonable accommodation). If an infected employee poses a direct threat to his or her own safety or the safety of others, however, the ADA does not prevent an employer from placing the employee on leave. An employer who has concerns about a threat posed by a specific employee should obtain solid medical authority regarding the risk posed by the employee before relying on health risks in making employment decisions.

# CANNABIS IN THE WORKPLACE

## Comparative Law Review on the Impact of Cannabis Legalization in the U.S. Workplace

Provided by: Dean Rocco, Wilson Elser Moskowitz Edelman & Dicker LLP

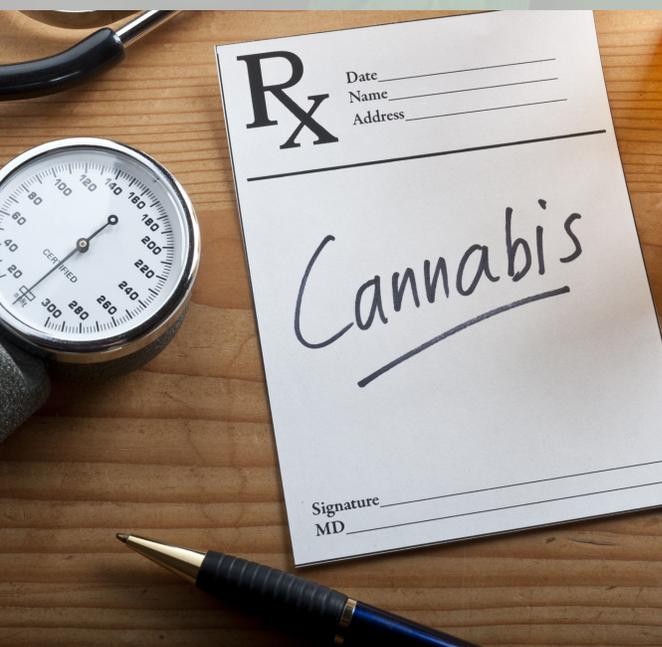
*Following the passage of California's landmark Compassionate Use Act of 1996, a number of states have legalized cannabis for medical and then recreational use. Thirty-three states permit the medicinal use of marijuana, and 11 states and the District of Columbia allow recreational use. With legislation pending across the country, these numbers will grow. As these laws expand in their geographic and substantive scope, employers increasingly find themselves challenged to balance quickly evolving state and municipal laws and court decisions against the federal Controlled Substances Act, which effectively bars the distribution and possession of cannabis, and their interests in maintaining productive and safe workplaces.*

### Drug Testing and Employee Rights

With the exception of Nevada, which banned pre-employment drug testing for cannabis, and the City of New York, which implemented a similar local ban on testing for marijuana, the various states' legalization statutes have not curbed employers' existing rights vis-à-vis drug-testing (1) applicants for marijuana use or (2) existing employees for suspected on-duty use. Drug testing remains governed by a patchwork of statutory rules and privacy cases in each state, and not every state allows the same type or kinds of testing.

The question generally is whether employers can act on information once they learn an applicant or employee tests positive for cannabis. Indeed, after passing laws permitting medicinal or recreational use of cannabis, a growing number of states developed laws providing employee protections for lawful off-duty use:

- Arkansas and Illinois passed laws prohibiting adverse actions against persons because of their status as medical marijuana patients.
- Connecticut and Maine more expressly recognize an employee's right to off-duty cannabis use and passed laws prohibiting adverse employment actions based on such use.
- Statutes and case law in states such as Maryland, Massachusetts and Nevada dictate employers must affirmatively engage in the interactive process and possibly accommodate an employee's use of cannabis as medical treatment for a disability.
- Other states, including Vermont, do not address employee protections directly through their legalization statutes, but nevertheless require employers to consider accommodating medical marijuana use for the treatment of a disability through existing state disability discrimination laws.
- In those states with employee rights statutes, exceptions typically exist so an employer need not violate federal law or contractual obligations, place a cannabis user in a safety-sensitive position or permit on-duty use in complying with the statutes.
- Surprisingly, some of the front-runner states in cannabis legalization, such as Colorado, Washington and California, still do not recognize any employee protections for cannabis use.



*A church depends on the valuable contributions of its members to do God's ministry: donating professional expertise, driving people who need assistance, organizing outreach events, participating in mission trips, and so much more! Churches rely on the beautiful spirit of its congregation to willingly contribute their time, energy, and resources. Without volunteers, only a fraction of this work would occur. Such is the reality of a church. Volunteers are their lifeline.*

# MISSION TRIPS & VOLUNTEERS

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Participating in church activities gives people a sense of community. Mission trips are one of the most fulfilling aspects of volunteering for many people. The trips can be short or long, domestic or international. It is important to consider the following guidelines, particularly when minors are included on mission trips or overnight activities:

**Send trained staff and volunteers.** It is in the church's best interest to send trained and experienced people to manage a mission trip, especially if minors are participating. A criminal background check and reference checks should be mandatory. Everyone should know your organization's abuse prevention policies and procedures. Familiarity with the destination should also be a factor. Specific physical requirements of the mission trip should be properly communicated in advance. Health and property insurance should be verified (participant illness and personal belongings are not covered under the church's insurance policy).

**Supervision of youth always comes first.** Minors may not be responsible for their acts, laws may impose financial responsibility on their parents as well as the church. Chaperones who are doubling as a participant on a mission trip should make the safety and well-being of youth their top priority.

**Advance knowledge of sleeping and bathroom facilities.** Mission trips may require lodging in various standard and improvised lodging arrangements, from hotels and camp cabins, to "camping out" in a school gym or church hall. Trip organizers should plan how to manage these situations to protect the safety and well-being of the youth. Leaders must be prepared to oversee feeding, bathing, and sleeping arrangements of minors. Consulting with camp managers in your area may help you prepare.

**Document each participant's assumption of risk with signatures.** Illness, accident, lack of medical care, and even terrorism are all a potential risk. Thoroughly explain the known risks to all participants (parents of minors).

**Proper paperwork.** Request a signed indemnity and release form from all participants. The leader should have vital paperwork/information on each participant: copies of passports/visas, photos and emergency contacts, medical release forms, list of medications, insurance information, and itineraries.

**Consent form** for minors authorizing a person to make medical decisions if the parent/guardian cannot be reached.

**CPR certification.** It is highly recommended that more than one person be certified in CPR. Additionally, more than one person should be able to converse in the language of the destination should a medical emergency arise.

**Health insurance considerations.** Many domestic health insurance policies do not cover medical expenses in a foreign country, so additional insurance for each traveler is required. Participants should buy a travel insurance policy that covers both hospitalization and medical care (in case of illness or accident) as well as evacuation/transport services. Insurance Board offers both a global and domestic travel accident policy for members or volunteers to purchase if they do not have another option.

**Driving record check.** If the volunteers are driving on the trip, you should check each person's driving record. Ask for proof of insurance. Many people incorrectly believe if the volunteer is not driving a church-owned vehicle, then the church is not responsible. Know the laws of the destination country to determine if you need local auto insurance. If you do not secure appropriate coverage, the church will be at risk, and the volunteer may have a serious legal issue with local authorities.

**Contact CDC.** Contact the U.S. Centers for Disease Control and Prevention (CDC) to learn health precautions related to your destination and determine which vaccinations are required. The World Health Organization (WHO) provides details on types of risks and outbreaks. Request information on risk, prevention, and appropriate preventive medications. Make sure all participants have this information.

**Research water safety.** Know whether the local water will be safe to drink. If not, have a plan for how to provide safe drinking water for participants.

**Establish responsibility with host organization.** When collaborating with other organizations in mission activities away from home, the host organization should be clearly and contractually in charge of the mission activity. Your church must endorse and subscribe to the safety routines of the host as a minimum. In some situations, you may wish to shift risk to the host through a contract, or your church may have individual participants apply or enroll with the host organization.

Time and again, mission trip participants gain a bigger perspective of God's Kingdom through their involvement in service experiences; it is our responsibility to keep them safe on these awesome adventures.

# Workplace Safety

## 10 Things Employers Need to Know or Do

*Provided by: Ryan Neumeyer, McDonald Hopkins*

In years past, workplace violence was thought of in relation to employees having verbal altercations and sometimes even physical disagreements. However, times have changed and the reality is that now employers must prepare themselves not only for incidents such as robberies or physical assaults, but also aggravated assaults and mass shootings. The following are 10 things employers should know or do related to the threat of workplace violence:

1 Incidents of workplace violence can be divided into four categories: An offense by a stranger to the employer or its employees. An offense by a customer or client. An offense by an employee or former employee. An offense by an individual who has a personal relationship with an employee who is the intended victim.

2 Statistics demonstrate that violence is the second leading cause of death in the workplace and the first among women. Most homicides in the workplace are committed during robberies. Shootings accounted for 394 of the 500 workplace homicides in 2016 (the most recent year for which there is data). Of the workplace homicides in 2016, 409 (82 percent) were homicides of men and 91 (18 percent) were homicides of women. However, homicides represented 24 percent of fatal occupational injuries to women in 2016 compared with 9 percent of fatal occupational injuries to men.

3 Risk assessments are vital to determine the types of threats likely and the potential consequences of such incidents. Risk factors include working alone or in small numbers, working late/early morning, working with money, delivering passengers or goods, having a mobile workplace, and working in high crime areas, guarding property, and contact with the public.

4 Prevention strategies include:

- Not requiring workers to work late at night or early in the morning.
- Providing security for employees who must work late where possible.
- Training employees to carry a phone but not bury their head in the phone.
- Evaluating access to the physical layout of a facility to eliminate blind spots and other hazards.
- Placing curved mirrors in hallways.
- Maintaining good lighting.
- Preparing a plan for workplace violence.
- Controlling access to buildings.
- Video surveillance to protect people and property.
- Training employees to anticipate and respond to violent incidents.
- Creating access points to the building. Installing locks on doors, windows, interior locks, and gates.
- Controlling the egress and ingress of visitors and employees.
- Posting evacuation and route maps, safe shelter locations.
- Providing kits for first responders with needed keys, passwords, a map of the facility, a sharpie to mark victims, first aid materials, etc.
- Identifying and communicating the location of the bad actor if possible.

5 Train employees regarding warning signs of confusion, frustration, blame, anger, and hostility.

6 Train employees regarding teamwork and communication. Employees should be instructed to disengage a person who is angry and bring a third person into the discussion, draw the person back to the facts, listen to the person, show respect and concern, and focus on areas of agreement. Do not argue.

7 Train employees on when they need to alert supervisors and security personnel in relation to others' behavior or language (i.e., physical actions or threats appear imminent, immediate danger of harm or damage by a co-worker or outsider, out of control behavior).

8 Create an Emergency Action Plan that includes training for how to respond to various incidents, such as an active shooter or workplace violence. An Emergency Action Plan should include instruction such as how to isolate a secure working area (run-hide-fight); examples of when to call 911 and what information to share; how to seek medical attention for victims; when to report incidents to a supervisor; how to assist individuals with disabilities during an incident; and how to file a written report.

9 Do active shooter drills and designate a responder liaison with knowledge of the facility and floor plan. Active shooter drills may include consulting with law enforcement on what to do during an incident and then conducting drills with employees. Teach individuals the run-hide-fight concept and what options are in active shooter situations. Establish evacuation routes, identify places to hide, and identify in what situations it would be necessary to fight. Coordinate drills with law enforcement.

10 Develop a security alert system that uses email, text, auditory and other systems to alert individuals that there is an active shooter situation at the workplace. Use clear, concise and common language while communicating.

Unfortunately, being prepared for an active shooter situation and other incidents of workplace violence is now a necessity. Should a company have interest in receiving assistance in developing an emergency response plan, an active shooter response policy, or related training, please feel free to contact one of the attorneys at McDonald Hopkins <https://mcdonaldhopkins.com/>.

Also visit <https://www.insuranceboard.org/safety-resources/> for more detailed guidelines on planning/training/preparing for an active intruder incident.

## *Financial Controls continued from page 2*

**When thinking about expenses, an account process or basic controls to consider should include:**

- Who is authorized to sign for expenses – are there expenses that are automatically paid and reviewed as part of the quarterly financial statements?
- A second person must sign if the expenses exceed a threshold. What is the church's threshold?
- Require receipts for reimbursement. The IRS does not require receipts for items \$75 or less, but what is best practice? Document on the receipt who, what, and why (the business purpose).
- The way in which you handle business expenses such as continuing education, staff development, or staff birthday celebrations.
- Who is the individual(s), outside of the check writer, authorized to open the bank statement and balance the checkbook?

These basic controls are a good starting point for your organization. Obviously, the larger the organization, the greater the need for more detailed the controls. And remember, handling money in the church is a sacred act, not a secular one, so let's treat the people and the resources as holy currency.



# CEO CORNER

**TIMOTHY S. HARRIS, CPCU**  
**PRESIDENT AND CEO**

The Insurance Board Program was started by church members for the benefit of churches and their affiliated ministries. The Program was

designed to leverage the collective buying power of churches to effect economies of scale with the goals of keeping premiums low and stable while making churches safer places for ministry. In addition to a broad suite of coverages, the Program offers a myriad of loss control and risk mitigation resources for churches, mostly free of charge. But churches have to live up to their respective roles as well. Increasingly, the Program is being called upon to pay claims which are either caused by, or exacerbated by, deferred maintenance. Deferred maintenance is the practice of delaying repairs to real and personal property in order to save costs. This practice seems to under-appreciate the fact that the primary vessel for a church's ministry is most often its building or facilities. Churches that frequently forego repairs to their roofs or infrastructure, deem such repairs as costly **expenditures**, rather than **investments** in preserving their ministries. Since deferred maintenance-related insurance claims are largely excluded under property insurance policies, such delays in repairs result in more expensive and extensive costs for churches over the long term. A recent article that evaluated the economic impact of deferring maintenance for 5-7 years, described the future costs as routinely being up to 15 times the initial repair costs.

Since Program premiums are paid by the participating churches in the Program, so are Program losses. A church that defers maintenance which then exacerbates an actual claim that occurs (such as under-maintained plumbing that fails and results in a substantial water damage claim for a church) passes the cost of their claim on to other church participants in the Program. Since Insurance Board is a non-profit organization, the excess of premiums collected over losses paid comes back to the participating churches in the form of lower, more stable premiums and coverage enhancements. For example, in 2015, average premiums for participating churches in the Program decreased, due to favorable prior year experience.

Insurance Board paid more than \$4.5M in water damage claims alone in 2019. It is estimated that 70-80% of such water damage claims are preventable, and that most of these claims are related to deferred maintenance. From 2012 through 2019, Insurance Board has paid more in water damage claims than for any other type of property peril, including hurricanes, fires, and hailstorms. These claims represent funds that would otherwise be available to reduce premium costs to participants.

Remember, each participating church is a member of an insurance community where adherence to best practices at one church, protects the interests of all participating churches. Visit <https://www.insuranceboard.org/safety-resources/> for more information on how you can protect your church.

Our insurance serves you so you can serve God.

*Serve God*

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