

LOSS CONTROL MANUAL



INTRODUCTION

PEOPLE 1

PROPERTY 2

TRANSPORTATION 3

YOUTH ACTIVITIES 4

MANAGEMENT 5

Our insurance serves you so you can serve God.
Serve God



LOSS CONTROL MANUAL

1 PEOPLE - INJURY PREVENTION AND SAFETY TRAINING

Process 1-1
Training 1-2
Inspection/Audit 1-3
Remediation & Resolution 1-4
Your Options 1-5
References/Resources 1-6

2 PROPERTY - BUILDINGS AND CHURCH PROPERTY

Process 2-1
Training 2-2
Inspection/Audit 2-3
Remediation & Resolution 2-4
Your Options 2-5
Vacant Church 2-6
References/Resources 2-7

3 TRANSPORTATION - VEHICLE USE AND DRIVER SELECTION

Process 3-1
Training 3-2
Inspection/Audit 3-3
Remediation & Resolution 3-4
Your Options 3-5
References/Resources 3-6

4 YOUTH ACTIVITIES - DAYCARE, TRIPS AND CAMPS

Process 4-1
Training 4-2
Inspection/Audit 4-3
Remediation & Resolution 4-4
References/Resources 4-5

5 MANAGEMENT

Process 5-1
Training 5-2
Inspection/Audit 5-3
Remediation & Resolution 5-4
Your Options 5-5
References/Resources 5-6



INTRODUCTION

Our Loss Control Manual (LCM) is organized into major areas of activity, providing a working document to help develop a comprehensive safety program. If you are a member of the church's Board of Trustees (BOT) you have direct input on the activities of the church, and as a result, a direct responsibility to manage the risk and protect the church. Managing a church property and its many activities is no simple matter. We hope this Manual makes it easier.

Loss control is a continuous process of research, experience and education—and is also a part of your covenant with all other participants in the program. Each church has a responsibility to:

- Insure to full value.
- Maintain property and grounds to minimize damage and protect attendees.
- Professionally manage church ministries and business affairs.
- Inform Insurance Board of changes that may affect coverage and report claims in a timely manner.

The LCM contains guidance for getting started with your safety and protection stewardship as well as technical information regarding specific areas of concern: People, Property, Transportation, Youth Activities and Management.

When it comes to managing risk, you have a few options:

- **Avoid** – Not always an option. Your church is committed to certain activities, so you must find a way.
- **Transfer** – Sometimes you can hire it done, or transfer risk under a written contract. You might do it in a lease, facility use agreement or vendor contract.
- **Minimize** – That is, reduce the likelihood that something bad can happen.
- **Mitigate** – Once something bad happens, keep the “damage” to a minimum.

The LCM focuses on Minimizing and Mitigating. Whether you operate in committee or individually, the major areas of risk and likely divisions of responsibility include, at least:

- SECTION 1: PEOPLE – Injury prevention and safety training
- SECTION 2: PROPERTY – Buildings and church property
- SECTION 3: TRANSPORTATION – Vehicle use and driver selection
- SECTION 4: YOUTH ACTIVITIES – Special concerns for youth centered activities
- SECTION 5: MANAGEMENT – Church operations and employee management

Some of these overlap, but we created manageable pieces so you can get something done. Think of them as steps:

- **Process** – How do you get things done? Do you have a process written down or a flow chart? Who is in charge? Who has direct responsibility? How are decisions made?
- **Training** – Are special skills or knowledge required? How is training conducted? How are records kept? Do volunteers have the needed skills and training?
- **Inspection/Audit** – How do you make sure that all is well or what needs “fixing?” Who is checking? Who shares the result?
- **Remediation & Resolution** – How are problems fixed? Are there budgets? Who approves the fix and the expenditure? How is the fix verified? Who shares the information?

We will review these steps in each Section. Depending on the size and complexity of your congregation, a very simple approach may apply, or something more complex. In some cases it may be as simple as one person taking the initiative (with approvals along the way). In other cases budgets and planning will be involved. Some projects may take weeks and others may take months.



PEOPLE

INJURY PREVENTION AND SAFETY TRAINING

PROCESS 1-1

A church is not only a place of worship. It is a “public accommodation” or a “workplace” for many. Opening your doors accepts risk. When you invite the public into your church the standard of care is higher for your church than it is for your home. Some of these standards are prescribed by building codes/laws. We may be less attentive to hazards around our homes, but much greater attention is required at your church.

In our Property Section, the focus is on the building, which is charged to the **Sexton**. In this section, focused on people, we refer to the **Usher** as the person having the responsibility for the public’s safety. You may assign responsibility differently, but we will use the term here for convenience. Because we are also concerned for employees, we may refer to the **Supervisor** as having such responsibility. As in all areas of risk, the governing body of the church must assign responsibility to an employee or volunteer who may act as either Usher or Supervisor.

Regardless of other duties, the mission of the Usher is the safety of church “guests,” invited or not. Guests can range from parishioners and participants in organized programs to everyone from neighborhood children on skate boards and/or homeless. The domain of the Usher is the entire church property—from the sanctuary, to the kitchen, to the playground, the cemetery and the parking lot. The mission of the Supervisor is the well-being of employees and guarding the reputation of the congregation as an employer.

Because the scope of responsibility can be broad, it is essential that duties be defined for the Usher. A facility may be so complex that more than one be assigned. Along with responsibility comes authority and budget. Because building components will be a part of safety, the budget must be coordinated with the Sexton. Surely, the Usher-Sexton conversation will result in making choices about repairing a sidewalk, buying a case of light bulbs or several gallons of paint. As does the Sexton, the Usher must present a plan to the board which sets out priorities and costs. The Usher must regularly communicate public safety issues to the board.

“General Liability” insurance covers bodily injury and property damage that occurs as a result of the activities of the church and its status as an “owner, landlord or tenant.” The general liability policy addresses situations in which the church is negligent.

“Workers’ Compensation” insurance, on the other hand, is required in each state by law. This is a no-fault benefit for employees that includes both medical and wage benefits. It does not matter whether an employee was at fault in causing his/her injury—the benefits are payable. In exchange for a no-fault benefit, the employee is not able to file a lawsuit against the church (employer).

Volunteers – In some states, “volunteers” are entitled to workers’ compensation benefits as if they were employees. Laws vary from state to state, and the circumstances of claims vary widely as well. You will need some expert help either from your insurance agent or the Insurance Board to sort out claim reporting.

Medicare Patients – Federal Law requires that Medicare make payments only after all other available insurance has paid, including no-fault insurance. Both “Medical Payments” and “Workers’ Compensation” are no-fault insurance. While Medicare eligible parishioners may be reluctant to present claims to their own church when injured there, there is no choice in the matter. The church’s insurance must pay first. The church’s insurer will request certain information, including social security number, in order to satisfy Medicare reporting requirements.

Claim Reporting – Because of the differences listed, it is extremely important that injuries and potential claims be reported immediately. The Usher and other church administrators should know how to report claims to the Insurance Board or directly to insurance companies. See claims reporting information at www.InsuranceBoard.org. It is well known that claim costs are reduced when potential claims are reported promptly.

Camps, Trips and Day Care – Because these activities consistently involve children and young people, camps, mission trips, day care and playgrounds are covered in a separate volume of the Loss Control Manual.

Accessible to All – Many congregations may have a church member who is hard of hearing, but nearly 10% of the world's population live with the limited ability to participate in everyday activities. A disability is an impairment that may be cognitive, developmental, mental, physical or sensory (or some combination) that limits a person's activities. Because of the nature of a church to be open and welcoming, finding ways to be inclusive to people with disabilities is important. The United Church of Christ's Disabilities Ministry has some materials to help. Uccdm.org has various resources including an "Accessible to All Disability Etiquette" pamphlet as well as a "Guide for Churches."

TRAINING 1-2

While the Usher may leave some maintenance and training activities to the Sexton, the most important training the Usher can take is First Aid and Cardiopulmonary Resuscitation (CPR)/Automated External Defibrillator (AED). For all activities of the church, it is best to have several parishioners trained and present to provide life-saving services. By far the most critical skill is CPR and operation of an AED. Use of an AED in the few moments following a cardiac arrest is critical and effective in assuring survival. CPR alone is not nearly as effective.

Therefore, the Usher's agenda should include:

- A program of regular training of ushers/leaders in First Aid and CPR/AED—A program can easily be coordinated with the American Red Cross or local health care facilities. The costs are nominal.
- Investment in an AED—Use of an AED is now included in all CPR training. A program of assuring skilled first-aiders are present is not fulfilled if basic equipment is not available.

Those who supervise others have a duty to assure the capability and welfare of those who work for them. A supervisor should never assume that an employee possesses technical skills or physical abilities if not specifically trained or observed. This especially applies to use of power equipment, ladders, chemicals, work in confined spaces, and around electrical equipment. The principle even applies in such seemingly simple matters as organizing and adjusting a computer work space. Injury due to "repetitive trauma" is a serious and growing phenomenon and has life long implications to employee health. Depending on specific duties of the job, there are employer training obligations imposed by OSHA (Federal or State Occupational Safety and Health Administration).

Training requirements may include:

- Bloodborne Pathogens
- Hazard Communications – right-to-know about chemicals
- Confined Spaces – working in confined spaces, e.g., sprinkler vault
- Fall Protection – use of ladders and scaffolding
- Hazardous Energy – exposure to electrical hazards
- Personal Protective Equipment – use of protective safety glasses, hearing protection and gloves

Use of volunteer labor should be discouraged, however, if it must be used, you cannot assume they possess complete knowledge about building maintenance hazards and power tools. Whatever their enthusiasm for the work, their activities must be restricted until they have the appropriate training. Referral to the OSHA training subjects above will suggest where boundaries should be enforced. Some maintenance work, such as roof repair or replacement, is dangerous.

INSPECTION /AUDIT 1-3

In general, the Usher should be organizing two kinds of inspections, seasonal and daily. Seasonal inspections are about maintenance; daily are about housekeeping. A seasonal inspection will identify things that have been damaged by the last season, or need repair or preparation before the next season. Attention is paid to the areas that people traverse or which may cause harm: parking lots, sidewalks, playgrounds, stairs, hallways, furniture. In these areas, repairs may require planning, funding, or professional help.

Depending on use, a daily or weekly inspection will focus on cleanliness and functionality: entry mats, lighting, pathway obstructions, safe seating, exits, snow/ice removal, spill response and security. These are things that can be fixed now and immediately affect public safety.

While State or Federal OSHA may not have jurisdiction in a church, the standards that OSHA has set are based on science and the experience of safety professionals. General standards for workplace safety are a good starting place to evaluate conditions in your church. Review of the **OSHA Small Business Handbook** is strongly recommended.

REMEDATION & RESOLUTION 1-4

It is fundamental that the management of the church be knowledgeable about conditions and have an opportunity to plan and respond. The likelihood of a positive response is increased if the Usher takes the results of inspections to the next level by setting priorities, determining costs, and making recommendations to the Board. The Board can then set priorities of ministry, facilities, and public safety.

The Usher needs a budget, coordinated with the Sexton's budget, and a schedule for execution of needed improvements, repairs, training, supplies, and services. The Board must have expectations the Usher will stick to the task and inform them of progress against the budget.

YOUR OPTIONS 1-5

Minimize – Regular programs of training, inspection and maintenance are fundamental to reducing the probability of injury to guests and employees.

Mitigate – Once an accident has occurred, first aid and other trained emergency responses may materially reduce the severity of an injury.

Emergency Planning – The actions taken in the initial minutes of any emergency are critical. A prompt warning to employees/volunteers and church attendees to evacuate or lockdown can save lives. Leadership during an emergency when your church is occupied, is essential. Until the appropriate first responders arrive, you must assist your congregants in providing care, locking down and/or evacuating the building. A written emergency plan will help detail and plan for the unexpected.

Make sure your emergency plan addresses “protective actions for life safety” and includes building evacuation, sheltering from severe weather such as tornadoes, and lockdown. Lockdown CAN BE a protective action when faced with an active intruder with an intent to harm. Of course, the best option if the threat (whether it is fire or a human) is inside, is to get out. However, if evacuation is not available, lockdown may be your best option. Review of FEMA's “Guide For Developing High Quality Emergency Operations plan For Houses of Worship” is recommended.

In any emergency, the first priority is always life safety. As a church leader, you need to realize if the only way to evacuate and get people to safety is breaking a window (historic stained glass or other), then congregants need to be empowered to do just that in order to save lives.

Ushers and associates must plan and train to respond to various crises. Skills must be inventoried, shelter areas and multiple evacuation routes identified, and duties assigned. Practice is necessary. Basic questions and scenarios can be reviewed (with a walk-through even). Practice will save precious minutes in what otherwise might be panic time. Pay attention to the special needs of congregants who may need additional assistance during the time of crisis.

Our discussion provided here is not intended to be all-inclusive, but should help you understand your responsibility in emergency planning and give you guidance to get you started. For more information on developing and implementing an emergency plan, visit www.ready.gov.

In an emergency situation, paperwork is not the priority. However, some situations are more minor, and completing an Accident Report is critical.

Accident Investigation – An accident investigation is basic to **understanding the cause of an injury and reporting a potential claim** to your insurance company. A careful investigation to find the root causes of injury leads to intelligent solutions to prevent the next injury. Sometimes the solution can be found in better training and management of employees. When we cannot control the public or circumstances, steps must be taken to protect them. See: *Accident Investigation—Who? What? Where? When?...and How?* An accident investigation form is provided on our website, InsuranceBoard.org. You may adapt it to meet your church's needs.

REFERENCES AND RESOURCES 1-6

1-6

- Claim Reporting - **InsuranceBoard.org** - Click on “Report a Claim”
- First Aid & CPR Training - RedCross.org - To locate and schedule training
- *OSHA Small Businesses Handbook* - osha.gov/Publications/smallbusiness/small-business.html
- Department of Homeland Security - dhs.gov - for information on active intruder
- FEMA - fema.gov - for information on disaster preparedness
- uccdm.org/a2a
- ready.gov

Contact us with questions
InsuranceBoard.org

A photograph of a yellow church with a steeple and a cross on top. The church has a bell tower with a bell, a circular stained glass window, and several arched windows. The text "BUILDINGS AND CHURCH PROPERTY" is overlaid on the image.

BUILDINGS AND CHURCH PROPERTY

PROCESS 2-1

Property insurance protects the building and contents in the event of a loss. The following are some important considerations for your property insurance coverage:

- **Valuation**—Not having high enough insurance limits is a frequent, unrecognized problem, especially for churches with limited budgets. Too often, the problem is diagnosed after a serious loss. It is too easy to be out of touch with current building costs, and more demanding building codes. “Public accommodations” may require more wind resistant construction, sprinkler and alarm systems, and elevators. You cannot gamble with your church. You have fiduciary responsibilities to your church. Make sure your values are correct.
- **Pipe Organs, Stained Glass and Fine Arts**—Ordinary commercial insurance policies make no provisions for some of the special features of churches and other valuable fine arts. While many property policies are described as “all risk,” there are always limitations which may limit or exclude recovery for certain events. It may be better to have some items (organs, bells, furnishings, art work) appraised and scheduled on a Fine Arts policy or endorsement. While stained glass is generally considered part of the building, it is important to understand its value, and how your policy will respond to damage to “art glass.”
- **Business Income & Extra Expense**—Your church may rely on income producing activities or rental income to feed the operating budget. If your sanctuary and meeting places are out of service, you will need to rent another facility to sustain offerings and attendance at worship. It is fundamental that you consider your income sources and after-loss expenses when creating your insurance program.

The Insurance Board program is designed specifically for church buildings and other property, and takes the issues just mentioned into account. Its services are tailored to help churches manage these issues, including property valuation and inspection services. You should consult with your agent periodically to assure you still have a tailored fit.

Building Management, The Sexton

Spending time in your home every day, you probably know what needs work: a bit of loose flooring, a light bulb out, a little stain on the ceiling, a crack in the driveway. Meanwhile, your church sits vacant most of the week. Parishioners are in and out on Sunday. They linger, they're off! The church sits vacant another week. One light out above the stairs becomes two. The stain over the balcony ceiling becomes a little larger. The rut in the parking lot becomes a little deeper. Who's in charge? What's the plan? Where's the money?

Whether it's a full-time employee or a volunteer, someone must be dedicated to maintaining your church property, inside and out. Ideally, the person has prior construction and maintenance knowledge and experience as well as good organization skills. After you have assigned this person, make sure s/he understands job number one: inspect and inventory. Take notes. Take pictures. Report back to the board.

The Inspection Baseline

A detailed inspection of the exterior is required as well. You can identify clues to the building's vulnerability to storms, as well as maintenance challenges. A flat roof is inherently more leak-prone than a gable one. High steep roofs will be more expensive to repair or replace. Steeples add another level of complexity. Exposure to coastal storms or flooding requires special precautions.

The building interior contains the standard infrastructure (electrical, heating and plumbing systems) as well as the facilities (sanctuary, offices, restrooms, kitchen, etc.) your church relies on to conduct its ministries. The condition of interior walls, ceilings and the basement gives clues about things happening outside. Each area of infrastructure requires its own inspection, and each facility (office, classroom, kitchen, etc.) needs to be inspected as well to determine whether it has enough electrical outlets, functioning drains, adequate lighting, etc.

As the church becomes more complex in terms of size, age, historic qualities, and architectural and commercial features, it may be necessary to engage a professional engineer to inspect the facility. If asbestos building materials are found, even more complexity is introduced. Nevertheless, if a detailed inspection has not been completed recently, it is fundamental to have a baseline, a starting point.

For any church over a few decades old, electrical systems may not be adequate to current demands. Also, the incidence of power surges has gone up dramatically because of increasing demands on public power sources. Investing in a surge protection system is a crucial step to protect the building's HVAC (heating, ventilating and air conditioning), computers, alarm systems, and electric musical instruments. An electrical inspection is a must for older buildings (> 30 years), and will likely reveal faults that put your building at risk.

Setting Priorities & Budgeting

Realistically everything that needs fixing cannot be fixed at once. Financial resources are limited. There are limited hours in the day. Volunteers have day jobs and families. Once the baseline inspection is complete, it is time to price out the work, and set priorities. The board of directors cannot easily act on a generalized complaint that “the place is falling apart.”

The sexton will have a better chance of success by providing a maintenance plan that (1) sets priorities; (2) establishes a schedule for maintenance; (3) identifies the costs; and (4) outlines a budget extending out several years. These steps usually require research of material costs, and estimates from contractors.

Your insurance policy has a deductible. It's a good idea to budget all or part of your deductible each year toward a contingency fund to deal with unexpected damage or short term maintenance challenges. Longer term challenges, like a new roof, need to be planned well in advance.

TRAINING 2-2

2-2

Especially in matters of property and building systems, there are technical components and terminology involved. Additional training or professional assistance may be required in order to conduct a thorough inspection. A qualified contractor should be contracted to maintain fire protection systems and fire alarms.

INSPECTION/AUDIT 2-3

2-3

Frequency—A baseline inspection provides an evaluation of the character and features of buildings, and an outline for future inspections. Multiple additions to the church complex suggest multiple checklists to assure that each addition's unique features are addressed. An inspection must be conducted seasonally, both to prepare for the next season and to discover damage from last season. Semiannual inspections (spring and fall) are mandatory; quarterly is better; monthly is best.

Sprinkler Systems—Many newer buildings have automatic sprinkler systems. You can rely on them to manage a fire only if they are turned on. But an alarming number of serious fires occur because the system was turned off for maintenance, or construction purposes, and never returned to service. This is why an annual sprinkler inspection and regular testing is a must. A trained sprinkler system engineer from a professional firm will exercise all of the major valves, test water flow and water pressure, and test water flow alarms and their connections to central station monitoring services.

Property Inventory—Your church property includes much more than your real estate. Some of it is precious, and some is essential to daily activities: computers, copiers, sound systems, and musical instruments. An inventory is essential, as matters of accountability, preservation and security. As fiduciaries the church board has the responsibility of securing precious objects, and tending to the general maintenance of assets. When a serious loss occurs, it will be easier to document the loss if the church has kept good records.

Inspection Documentation—Checklists are available on our website, InsuranceBoard.org, to record conditions. It is useful to take notes. When an answer is “no,” an explanation is in order. If action is required, time will be saved by taking notes, dimensions, and pictures so that the scope of needed repairs can be relayed accurately.

REMEDATION & RESOLUTION 2-4

It would be rare to find a church property that was not in need of some kind of ongoing maintenance or repair. But the sexton may not have resources to make a repair without first getting approval (good financial controls require a purchasing authority structure). After an inspection, it's time to set priorities, develop the cost, and set a schedule for completing repairs.

The Board should be aware of the work that is required. While the Board may be more enthusiastic about bigger and glamorous projects, they need to understand the regular maintenance challenges your church faces. Deferred maintenance becomes a "pay them now or pay them later" proposition. "Later" usually translates to "pay them more."

YOUR OPTIONS 2-5

- **Avoid**—It is not uncommon to find vacant church property. So there is sometimes a practical choice between ownership and leasing space. Leasing permits shifting the investment and maintenance burden to the landlord.
- **Finance**—Great reliance is placed on insurance to finance risk of property ownership. Insurance to value is critical.
- **Minimize**—Regular programs of inspection and maintenance are fundamental to reducing the probability of damage. It's a simple matter of "a stitch in time saves nine."
- **Mitigate**—Pre-loss planning, especially when there are income producing activities, is critical to reducing the amount of loss and the time for restoration.
- **Transfer**—Sometimes you can hire it done, or transfer risk under a written contract. You might do it in a lease, facility use agreement or vendor contract.

Hiring Contractors—Some projects, especially roofing and electrical work, require the use of a contractor who is experienced, licensed, and has appropriate equipment to get the work done. However, hiring a contractor is not as simple as getting a quote from the lowest bidder. When a contractor has its employees on your site, they become your ultimate employees (in many states).

It is extremely important that you verify the general liability and workers' compensation coverage of the contractor, and obtain a hold harmless and indemnification agreement. Consult your attorney! When a major project is on the horizon, be sure to review the contractor's safety programs that apply to the project.

Sprinkler & Alarm Systems—Church buildings stand unoccupied for much of their lives. Even though people are not present, they need surveillance to warn of fires and break-ins.

Modern building codes require sprinkler systems in public buildings. Sprinkler systems are complicated, engineered specifically for the space and the availability of public water. When included in the original construction, they are less expensive; retro-fitting a building is usually cost-prohibitive but might be imposed by authorities after a major fire or as part of remodeling.

Sprinkler systems must be inspected and tested annually to be reliable. This is especially so for "dry pipe" systems found in many churches. Sprinkler systems have moving mechanical and electrical parts. Pipes can become blocked, mechanical valves seized, and dry pipe systems may leak air, resulting in undetected charging and long term damage. Routine testing is required to both maintain reliability and eligibility for sprinkler premium credits.

By the time a sprinkler system activates, there is already smoke and fire damage, which is then followed by water damage. When it comes down to cost effectiveness, smoke detection with a central station monitoring contract is an effective solution to fire protection. The best time to enhance existing alarm systems is at the time of a major building remodeling or addition. This is an opportunity to install smoke and heat detection in critical areas: kitchens, utility areas, electrical panels and storage areas. All such systems must be tested regularly to assure reliability.

VACANT CHURCH 2-6

The sad reality is churches and related organizations sometimes close and dissolve. What happens to the buildings and property? Is it possible to get insurance coverage for vacant buildings?

Denominational offices, and sometimes even churches themselves, find they are the beneficiary of a building that is vacant and unoccupied. Free building! Sounds great, doesn't it? Not so fast.

One of the major expenses to maintain a vacant building is insurance. Many insurance companies will not offer coverage because vacant buildings represent a significantly higher risk. Insurance Board is different. We strive to meet your needs and sometimes that means providing insurance for vacant buildings. However, the additional premium to do so is necessary to cover the risk, and can be a shock. In general, it is roughly double. Also, some vacant buildings cannot be accepted, depending on the condition.

It is important to know the insurance coverage differences for vacant buildings too. In short, the following causes of loss are not covered:

- Vandalism
- Sprinkler leakage
- Building glass breakage
- Water damage
- Theft or attempted theft

For all other covered causes of loss, the claim payment is reduced by 15%. Some common questions church representatives will ask:

- What makes a building “vacant?”
- What if the building is used for storage?
- What if there are occasional meetings or office space at the building?
- What if someone checks on the building periodically?

Every situation is different, but most of the above scenarios would be considered vacant. The insurance policy language will be used to determine “vacancy,” which states, in part, the following:

- *“Such building is vacant unless at least 31% of its total square footage is”... “used to conduct customary operations.”*
- *“Buildings under construction or renovation are not considered vacant.”*
- *“Dwellings of four families or less that are intended for employee occupancy are not considered vacant provided they have been used in that manner within 365 days prior to the date of loss or damage.”*

Last, but not least, the following loss control practices are strongly recommended for vacant buildings:

- Lock and secure the building, including a monitored burglar and fire alarm system
- Maintain minimum utilities; electricity for exterior lights, heat, sprinkler (regularly tested), etc.
- Turn off water and winterize plumbing pipes (if applicable)

If you have any questions, contact your Insurance Board Agent!

REFERENCES AND RESOURCES 2-7

2-7

- Asbestos Containing Building Materials (ACBM) - Asbestos Hazard Emergency Response Act, U.S. Environmental Protection Agency. - epa.gov
- Disaster Preparedness - Plan & Prepare - fema.gov
- Historic churches - Partners for Sacred Places - sacredplaces.org
- Safety for small business - *OSHA Small Business Handbook*, U.S. Department of Labor, Publication OSHA 2209, 2005 (revised) - osha.org
- Stained glass consulting - americanstainedglass.com
- Active Intruder Info - Department of Homeland Security - <https://www.dhs.gov/active-shooter-preparedness>

Contact us with questions
InsuranceBoard.org



TRANSPORTATION

VEHICLE USE AND DRIVER SELECTION

3 - TRANSPORTATION

3-1

PROCESS 3-1

Transportation needs for churches and camps may range from incidental pick-up and delivery in a passenger sedan to movement of groups in a fleet of buses, and any combination in between. How do you normally get transportation? Do you...

- **Borrow it**—Do you rely on your congregation to volunteer their own vehicles?
- **Hire it**—Do you rent passenger or cargo vehicles or charter buses?
- **Own it**—Do you own vehicles? Do you provide vehicle allowances to full time employees?

Automobile Insurance—Laws regarding insurance vary greatly among the 50 states. Many states follow traditional rules about liability, while others have “No Fault” statutes. When you travel from state to state, the laws apply according to the state in which the accident occurred, which can make how insurance responds after an accident confusing. Therefore, be sure to observe the following: (1) be sure your vehicle is insured in the state of registration; (2) never admit liability or make promises to pay for damage; (3) be certain your insurance ID card is in each of your vehicles; and (4) report accidents to your insurance company immediately.

Borrowing—Having your members use their vehicles for church activities is convenient and without cost. Their insurance on their vehicles protects the church when others are injured, yet if the insurance limit is not enough, the church may be exposed. Adding a “hired and non-owned automobile” endorsement to a general liability policy will close that gap. When borrowing, it is wise to verify that the vehicle is insured and the driver has a valid license. Running a Motor Vehicle Records (MVR) check is important.

Hiring—By far, the safest way to provide transportation is to charter a vehicle with a driver. You should expect the vehicle to be suitable and the driver vetted and trained.

If you are renting a vehicle and providing your own driver, then much more will be expected. The rental agency may have minimal liability insurance. Again, the “non-owned and hired automobile” endorsement is needed. You must now be careful that your driver is properly licensed for the vehicle you are renting. Generally, a vehicle holding 16 passengers or more (including the driver), requires a Commercial Drivers License (CDL). You must check the laws of your state and once again, be sure to run an MVR check. (This service is available at a reduced cost through the IB. See Safe Church Workbench on the IB website.)

Owning—Owning and operating a vehicle is much more complicated and implies a higher duty of care in the selection and maintenance of the vehicle, and the selection and training of the driver. The level of financial responsibility assumed is very high, especially concerning children. We advise having written procedures. Be sure to detail specifics for maintenance and driver selection, which need to include minimum standards or qualifications: driving history, experience, and licensing. Be firm in enforcing your standards and run an MVR check regularly.

▶ If you own a **15-passenger van**, additional precautions are in order. Driver selection and loading procedures are critical! These vehicles are notorious for poor handling, and require loading baggage and equipment low and forward. This vehicle, with a high center of gravity, is dangerous in the hands of an inexperienced driver, and when improperly loaded. Luggage stacked high in the rear of the vehicle makes it dangerous.

Dispose of this vehicle as soon as practicable, and replace it with, or rent, a small school bus. The roll-over hazard is greatly reduced in the bus, which has a wide rear track and lower center of gravity.

Fifteen Passenger Van Operation Basics:

- Drivers are trained to understand 15-passenger van dynamics
- Load from front to back, including the passengers
- Keep weight low and forward – under seats as possible; below the window line
- Load nothing on the roof
- Carefully check tire pressures at every outing
- Demand operation within speed limits

Additional safety precautions to consider:

- Equip the van with dual rear wheels to give the vehicle a wider stance and lower its center of gravity reducing the likelihood of rollovers.
- Improve the van’s handling by upgrading the suspension system with a product that will convert the basic passive leaf spring suspension to a mechanical active suspension. Roadmaster Active Suspension is just one product available for this purpose.



TRAINING 3-2

When your church is providing a driver, you must never assume that experience equates to skill or knowledge of your church's standards. A CDL only provides for a certain level of training regarding the handling of large vehicles. You must communicate your standards regarding: speed, use of cell phones and other technology, pre-trip inspection, vehicle loading, passenger behavior, accident reporting, alcohol use, and self-disclosure of adverse driving history. All of your drivers must acknowledge your standards, regardless of their position within your church, because in an accident, your church may be liable whether the driver is a volunteer or an employee.

INSPECTION /AUDIT 3-3

For every vehicle you own, you must keep a log book. For every regular driver, you must keep a record. It's as simple as that.

- **Log Book**—The use of a "log book" for each vehicle permits (1) the last driver to communicate with the next, and (2) the church to plan and verify maintenance. You must set the bar for documentation and hold drivers accountable by their signature. Each driver should log in and out for each use of the vehicle. Drivers should also be expected to inspect the vehicle before and after each use to the best of their ability, and record any findings. A sample log book is available on our website, InsuranceBoard.org.
- **Driver Qualification**—All licensed drivers should be vetted through an MVR check prior to being allowed to drive church owned vehicles.

REMEDATION & RESOLUTION 3-4

On tight budgets, regular vehicle maintenance can be a strain, but that's the reason to budget for maintenance! Oil changes, tune ups, tire replacement, and brake service must be a part of regular maintenance. Have a plan for each vehicle. Increase the budget and plan as the vehicle ages to allow for the increased costs associated with older vehicles. Your log book documents what is needed, and what got done, but it's not a plan.

You may have to take a vehicle out of service if its condition requires, or if you don't have a qualified driver. With good documentation you can plan ahead. You may have to rent something from time to time, but that's cheaper than the unexpected towing and repairs, or bruised reputation following an accident with injuries from a faulty vehicle in need of basic maintenance.

YOUR OPTIONS 3-5

Transfer—You can transfer risk by choosing chartering over ownership.

Minimize—If you must own or operate a vehicle, you will reduce the chance of loss by applying all of the supervisory steps above.

Mitigate—The ultimate cost of an accident is reduced by seat belt use, and prompt notice of accidents and injury.

Finance—You can finance your risk by having the correct insurance.

REFERENCES AND RESOURCES 3-6

- MVR's & Background Checks - Safe Church Workbench - InsuranceBoard.org
- CDL Requirements by State - cdl-course.com
- National Transportation Safety Board - ntsb.gov

Contact us with questions
InsuranceBoard.org



YOUTH ACTIVITIES

DAY CARE, TRIPS AND CAMPS

4 - YOUTH ACTIVITIES

4-1

PROCESS 4-1

Youth ministry is a major element of church activity. Parents rely on their church to provide leadership, supervision, and a safe environment. They expect professionalism and that risk to your children be minimized.

A “Child” is anyone under the age of eighteen. Children lack the education, experience, and judgment to manage risk. Several types of church activities specific to children include day care, nursery schools, mission trips, playgrounds, and camps.

The major areas of safety specific to children include:

Activity	Risk Management Concerns
Day Care & Nursery Schools	Regulatory compliance, negligent hiring, negligent supervision or training, neglect, physical and sexual abuse, parental permission, and transfer of custody
Mission Trips	Sexual abuse, negligent selection of chaperones and volunteers, transportation, driver qualification, age appropriate activities, parental permission, and transfer of custody
Playgrounds	Design and construction standards, maintenance, security, and supervision
Camps	Negligent hiring or selection of volunteers, negligent supervision or training, physical or sexual abuse by staff or other campers, parental permission, custody, age appropriate activities, design and construction standards, maintenance, and security

As in other activities of the church, it is necessary that your church’s governing Board explicitly assign responsibility. Depending on the size of child centered programs, you may hire a professional to assure both regulatory compliance and a high level of skill in protecting the interests of children.

Day Care & Nursery Schools

Day Care operations are increasingly subject to state regulation. When your church decides to operate a day care, or nursery (even if only for church members) it must be prepared to operate it strictly as a regulated business. There are a number of risk management concerns applying to day care and nursery schools, and loss control methods commonly used to address them.

The initial step when implementing loss control best practices is development of an abuse prevention policy. This policy should be adopted by the church as a whole and written to include your day care operations. The focus of the abuse prevention plan should be on the importance of personal behavior and personal responsibility in abuse prevention. The abuse prevention plan should include the following items:

- Code of conduct with youth;
- Policies for working with youth that address physical contact, verbal interactions, one on one interactions, off site contact, electronic communications and gift giving;
- Screening and selection;
- Training;
- Monitoring and supervision of employees; and
- Responding to policy violations.

The most critical step in loss control is careful selection, screening, and background checking of employees and volunteers. Today it will be hard to find a professional organization that does not do background checking of prospective employees and periodic checks of current employees. It is fundamental “due diligence.” Churches typically require self-disclosure by volunteers and require that volunteers be church members for at least six months to be qualified to work with children. Background checking of employees who have contact with children should be repeated at least every three years. Casual employees and volunteers should be checked before each seasonal hire.

The basic training obligations for day care, beyond the routine daily care and education programs, are daunting. The following are minimum areas of concern:

- Prevention of neglect and sexual misconduct
- Supervision of health needs of individual children
- Safety and security of the facility and equipment with respect to children
- Transfer of custody of children to authorized guardians

State statutes on mandatory reporting of known or suspected abuse of minors. When day care operations are run by others, your church still has fundamental obligations as a landlord. Because young children cannot be “negligent,” it is your church’s and the day care operator’s obligation to provide a safe environment. That means a high standard of care for the maintenance of your facilities.

Tenant Day Cares

If a church permits use of its facilities for another organization or person to operate a day care business, the church must establish an arm’s length relationship to include a written lease containing provisions (1) that the church is held harmless and indemnified for acts and injuries arising out of the day care operation; (2) for proof of insurance for general liability, professional liability, sexual misconduct liability, automobile liability (if vehicles are used) and workers’ compensation for its employees that names the church as an additional insured; (3) a requirement that insurance policies name the church’s trustees, officers, directors, employees, representatives, volunteers and agents as additional insureds; and (4) for verification of licensing of the business entity and staff according to state laws. Consult an attorney to assure compliance with statutes and suitable contractual protections for the church.

Even when a tenant conducts day care operations, your church must be satisfied that risk management concerns are fully addressed for several important reasons: the children of your congregation are likely attending the program; your church’s name will be associated with anything that goes wrong at the day care; and in the event of claims for injury, it is likely that claims will be made against both the day care operator and your church.

Mission Trips

Mission trips, by their nature, require transportation and lodging considerations. Because collaboration with other organizations may be involved, there may also be contractual and insurance considerations. Add children to a trip, no matter where or the duration, then all of the considerations of youth ministry must be added to the planning. When children are physically isolated from parents and home, they are less able to call for help when they are in distress.

To begin, the screening and background checking of volunteer chaperones and leaders (including parents) is paramount. Anyone who is in a position to have their background checked must also be trained regarding your organization’s safe church procedures and abuse prevention. Trips also entail all of the considerations outlined for day care:

- Prevention of neglect and sexual misconduct
- Supervision of health needs of individual children
- Safety and security of the facility and equipment
- Transfer of custody of children to authorized guardians
- State statutes on mandatory reporting of known or suspected abuse of minors.

In the area of safety, trips may involve challenging athletic activities or the use of power equipment:

- Are planned activities age-appropriate?
- What is the reputation of the sponsoring facility or organization?
- Are parents aware of the risks and have they provided permission releases?

It may be that older children are permitted to be un-chaperoned at some times. While juveniles may not always be held responsible for the acts, state laws may impose financial responsibility on their parents. While your church is not responsible for deliberate wrongful acts of children in your custody, parents have expectations that your church has perfect supervision of their children at all times. Especially while doubling as mission trip participants, chaperones must give first priority to their supervisory role.

When foreign travel is involved, another level of planning is involved: emergency medical evacuation and repatriation. When a life threatening injury or illness occurs in a foreign country, parents may have expectations their child will be evacuated to the U.S. for treatment. Additional insurance may be necessary.

When collaborating with other organizations in mission activities away from the home community, it is desirable that the host organization be clearly and contractually in charge of the mission activity. In this way, in the event of an accident involving volunteers or others, it is clear whose operation is responsible. 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, rather than through your church. This may make it clearer to the (parents of) participants that they are participating in an activity of the host, not your church. It is as likely that a host organization will require releases of individual participants and/or parental permission.

Dormitories and Temporary Lodging

Trips away from home may require lodging in a number of standard and improvised lodging arrangements, from hotels and camp cabins, to "camping out" in a school gym or church hall. Any of these arrangements require thought and planning regarding the safety, well-being and security of participating children. Chaperones must be prepared to manage the whereabouts, feeding, bathing and sleeping of children, mindful of the ages and sex of participating children.

Trip organizers must have advance knowledge of the character of sleeping and bathroom facilities and plan how they will provide security, privacy, and dignity when conditions are less than ideal. Planning may require sufficient numbers of both male and female chaperones and training of chaperones regarding two-adult supervision in some circumstances.

Established church camps, on the other hand, generally employ clergy and other professionals to manage these issues. Consulting with camp managers in your area may help you anticipate needs and plan your extended mission trips.

Playgrounds

Playgrounds are intended to invite and entertain children. Young children lack fear, experience, and judgment and may use playground equipment in ways that adults never could have imagined. Therefore, the design and layout of a playground is a project for professionals. Considerations include: accessibility, age separation, conflicting activities, sight lines, signage and labeling, age appropriate equipment and surfacing materials. When planning a new playground consideration should be given to the financial means to maintain it and who will be responsible to inspect and repair it years later.

Over time, the design and construction of a playground will become obsolete. Materials and surfaces commonly used only a few years ago may now be considered unsuitable. Children are without liability when injured at a playground. Defenses such as "assumption of risk" and "contributory negligence" do not apply. Therefore, creating a playground is a commitment to build it right, maintain it right, and then tear it down.

Related to playgrounds is the popularity of rollerblades, skateboards and bicycles. New legitimate competitive sports have evolved around these "toys." They may be used in ways and in places that adults have never dreamed, to include on stairs, railings, and retaining walls. Abrasions, contusions, sprains, broken bones, and head injuries are routine. Each church should carefully consider whether these activities should be discouraged on church property.

Certain insurance coverages pertain to youth activities including:

General liability—Some insurance coverages that pertain include: the basic form of liability insurance, general liability, provides coverage for bodily injury and property damage resulting from the ordinary accidents that occur at an insured location, or as a result of an insured business operation. However, a basic policy such as this will likely exclude acts of sexual misconduct or abuse, or injuries that arise out of professional activities, such as counseling. Considering the financial risks associated with even an assertion of abuse or neglect, general liability insurance is not sufficient to protect your church, day care, or camp.

Sexual Molestation Liability (SML)—SML coverage picks up where general liability leaves off, especially when children are involved. Even an unfounded allegation of abuse can result in six figure legal defense costs, a sufficient consequence to financially ruin an important ministry. Where this coverage exists, leaders and managers must actually read the policy and understand important limitations and responsibilities for reporting possible incidents.

Professional Liability—Coverage for professionals is varied and tailored to specific professions such as doctors, lawyers, and attorneys. A day care operation may have a “professional” exposure when it provides counseling, administers medications or is caring for special needs children. While a specialized “day care liability” policy might address some exposures, there are likely limitations. When licensed social workers, nurses and similar professionals are employed, they may have an expectation that professional liability coverage be provided.

TRAINING 4-2

4-2

In the matter of caring for children, your church cannot rely upon notions of “common sense.” Because parents have high expectations of organizations that lead and supervise child centered activities, there is no substitute for a strict and documented training process for employees and volunteers, including parents in volunteer roles. Training does not have to become an overwhelming burden, but your church must provide knowledge, standards, and guidance.

The following are some specific subjects to be covered in appropriate depth for the circumstances:

- **Training of employees**—In addition to the routines of custodial care, employees must be trained in regard to health risks, privacy, pick-up and drop-off procedures and other issues regarding the safety and security of children.
- **Prevention of neglect and sexual misconduct**—Additional training is required regarding boundaries, specifically rules and procedures designed to prevent actual sexual exploitation or allegations of misconduct. That is, part of the training objective is to protect the reputations of employees and the organization by assuring knowledge of, and disciplined use of, procedures.
- **Supervision of health needs of individual children**—When the youngest children are in care and when children are isolated and remote (trips), obtaining knowledge of health and dietary needs, and permission to authorize treatment is fundamental. Everyone must know the rules and procedure to avoid and respond to health episodes in addition to the routine matters of sanitation.
- **Safety and security of the facility and equipment**—Each employee must understand that personal initiative and discipline in regard to physical conditions and the security of buildings/playgrounds is part of the job description.
- **Transfer of custody of children**—Strict practices at pick-up and drop-off time must be trained and enforced. Procedures must be clear in a time when custody of children may or may not be shared.
- **State statutes on mandatory reporting of abuse**—Each state has requirements for mandatory reporting of suspected abuse of minors. Because abuse may include everything from neglect to physical or sexual abuse, employees must be trained to recognize signs of abuse and how to report internally.
- **Emergency response & evacuation**—Considering child-caretaker ratios in pre-schools and day care filled with small children, staff must be trained in evacuation procedures and response to other emergencies such as tornadoes. Part of the process will involve continued security of children at another place and reunion of children with their proper guardians.

Certain challenges are encountered every day; managers and staff probably know what to do. Where there is risk that is encountered infrequently, it is easy to become complacent. If you have never personally known a case of abuse, you may begin to believe it is not a risk that needs managing. Frequent re-training is the means to assure current active knowledge of critical skills.

SafeConduct™ Fundamentals (& Services)

While the term “safe church” has been used for many years to describe programs to protect children from abuse, Insurance Board has adopted the term SafeConduct™ to refer more broadly to organizational conduct and personal behavior which have an impact on adults and children alike. Clergy and lay leaders “guide” and “lead” in ministry.

Every relationship is defined by the quality of conduct. From the ethics of adult relationships, to fair uses of power, mutual support among peers, nurturing of trust and tolerance, and defense of vulnerable individuals, our conduct defines us as individuals and leaders.

Organizational conduct, including your safe church program, must begin with the creation of a policy and a set of procedures appropriate to your ministries. On the one hand, your policies must be comprehensive, while you must also be able to “live” them every day. At the highest level, your church must address issues such as boundaries for clergy and staff, sexual harassment, tolerance around race and sexual orientation, bullying and stalking and the potential for child abuse. How these programs are executed affects your church’s reputation.

Conveniently, principles that have been developed for prevention of child sexual abuse can be applied broadly to all areas of SafeConduct™. These principles include:

- **Screening** and selecting clergy, employees and volunteers.
- **Guidelines for interaction** between individuals, adult and child alike.
- **Monitoring** behavior and nurturing.
- **Creating safe places** for ministry.
- **Responding** to inappropriate behavior, breaches in policy and allegations and suspicions of child abuse.
- **Training** in policies of SafeConduct™ generally and sexual abuse prevention in particular.

When your congregation takes its first steps to create its safe church policy, it is beginning an important journey, one filled with challenges, revelations, satisfaction and rewards.

To support your church, Insurance Board has created the SafeConduct™ Workbench, a suite of resources and services you can directly apply in policy development and execution. Go to www.InsuranceBoard.org, then to Safety Resources to find these resources:

- **Know Your Score! Self-Assessment Tool**—The online and interactive self-assessment will help you take inventory of current policy, define additional needs and find sample policy language.
- **Armatus Training Suite by Praesidium**—Online training services are provided at no cost to all denominations served by the Insurance Board, whether or not currently participating in the insurance program. (United Church of Christ, Disciples of Christ, Presbyterian Church USA, Alliance of Baptists, Evangelical Lutheran Church in America, and Reformed Church in America)
- **Background Checking by Praesidium**—Several background checking levels are available to all denominations served at a negotiated rate. The cost is subsidized by 50% for those participating in the IB insurance program.
- **Reference Resources**—To assist in policy development, reference documents and links are provided which include sample policies.
- **Webinars**—Live and recorded webinars regarding policy development, interaction guidelines and related subjects.
- **Have a Question? On-call Consultation or email us at LossControl@InsuranceBoard.org.**—Loss Control at Insurance Board can assist you directly to provide solutions to matters of policy and specific incidents that may arise at your church.

INSPECTION/AUDIT 4-3

The responsibilities associated with caring for the children of others are extraordinary. The numbers of children and their individual needs add complexity. Managers must rely on others to get the work done. There is little room for error. Parents and children trust your day care operation to return the children safely. A regular program of self-inspection, audit, and improvement is an essential component of risk management. While state regulations and audits may apply specifically to day care, they may not cover all that is expected by parents; and some activities may not be specifically regulated.

Consider the variety of issues associated with youth-facing programs, and the level of independent judgment and observation required by every employee or volunteer, each looking after the needs of a much larger number of individual children. A structured audit program that includes employees in the process can double as training, and accelerate response and improvement to found deficiencies.

Checklists are available on our website, InsuranceBoard.org. Given the variety, size and importance of youth programs, the checklists may not cover every detail that is possible or needed. But they should generate discussion. Where problems are identified, the person in charge must take the initiative to bring them to resolution.

4-4

REMEDATION & RESOLUTION 4-4

While youth ministry serves the interests of children as customers, it is answerable to parents and guardians for the quality of services. Public companies submit to annual independent financial audits, report results and conduct stockholder meetings. You should expect to be accountable and to report your status to parents and guardians at regular intervals.

While reporting of routine problems may not be necessary, your quarterly and annual report to parents might include:

- Status of licenses and renewal (for regulated operations)
- Changes in management staff
- Changes in processes, especially those with a parent interface and those intended to respond to known problems
- Events/plans intended to improve risk management including training efforts.

Especially in the area of regulated day care operated by the church, a higher level of reporting and accountability is owed to the Board of the church. The Board will be unable to fulfill its fiduciary responsibilities without knowledge of the details of youth ministry including identified problems and proposed solutions.

4-5

REFERENCES AND RESOURCES 4-5

- Faith Trust Institute - resources on child abuse, clergy abuse, domestic violence, sexual violence - FaithTrustInstitute.com
- SafeConduct™ Resources - Prevention of sexual abuse, abuse prevention training and background checking. SafeConduct™ Workbench - InsuranceBoard.org
- Handbook for Public Playground Safety, Consumer Product Safety Commission - cpsc.gov/cpscpub/pubs/325.pdf
- National Resource Center for Health and Safety in Child Care and Early Education - State regulations for child care facilities - nrckids.org/STATES/states.htm
- Preventing Child Sexual Abuse Within Youth-Serving Organizations: Getting Started on Policies and Procedures, Centers for Disease Control and Prevention - cdc.gov/ViolencePrevention/index.html
- Skate Park Design and Facts, City of Stockton, CA - StocktonGov.com/parks/skating/skatedesign.cfm
- American Camp Association - State Regulations Database - acacamps.org/publicpolicy/regulations

Contact us with questions
InsuranceBoard.org



MANAGEMENT

GENERAL AND FINANCIAL

PROCESS 5-1

The management requirements for churches will vary greatly according to the value of their assets, the size of the congregation, and the types of ministries conducted. Common areas of management may include the following:

- **Board of Trustees/Board of Directors (BOT)**—as leaders of the congregation, the BOT is responsible for representing the interests of the congregation and ensuring the proper utilization and protection of church assets. The BOT is entrusted with the enforcement of the by-laws of the congregation. The by-laws serve as a blueprint that allow a church to conduct its affairs and are supplemented by internal policies and procedures, rules of governance, and ministerial objectives. The BOT is tasked with overseeing the financial support and direction of the congregation as well as the responsibility for the use of church properties. The BOT ensures that the financial and ecumenical missions of the church work together by maintaining oversight of budgeting, investments and insurance. The BOT should obtain directors and officers insurance which indemnifies the individual trustees and officers for claims resulting from managerial decisions made while serving on the board.
- **Employment**—hiring, discipline/termination, discrimination, handicap accommodation, training, OSHA, workers compensation, background checking; compliance with Federal and State laws; volunteer management
- **Financial Management**—handling of offerings, purchasing, contracts and leases, banking, budgets, capital planning, fiduciary duties, information systems controls
- **Youth Ministry**—See Section 4, *Youth Ministry*
- **Parish Nursing**—malpractice, health precautions, confidentiality
- **Food Preparation**—public health standards, first aid, building codes
- **Transportation**—See Section 3, *Transportation Safety*
- **Landlord, Tenants & Services**—non-church tenants and activities, third party risk transfer
- **Ministry Continuity & Emergency Planning**—preparation for and recovery from disaster
- **Cemeteries**—malpractice, security

While insurance coverage such as general liability, automotive liability, workers' compensation, directors & officers' liability, and various kinds of professional liability, may help mitigate losses in these management areas, prevention remains the key component to lessening the impact of losses.

Employment

Employing staff increases a church's responsibilities. Leaders need to establish procedures that apply uniformly to all employees; as the number of employees and variety of jobs increases, the need to have written policies and procedures increases as well. There are a number of risks to employment that can be managed best when all employees know the rules, and the rules are consistently applied.

Essential elements include the processes of:

- 1. Hiring**—selection, screening, interviewing, and background checking; hires approved by appropriate personnel as directed in the by-laws; EEOC guidelines should be reviewed for employment interviews; certain positions, such as those that work with children, may require additional screening and review of driving records.
- 2. Employee Handbook & Training**—document policies and procedures; provide training as needed on items such as: church protocol, cyber security, sexual harassment.
- 3. Discipline**—document problem performance; counseling, written warnings, remediation plans.
- 4. Termination**—legal counsel is always recommended with the ultimate authority to terminate employment made by appropriate personnel; refer to by-laws.

Having employees also means complying with State and Federal labor laws and safety standards. These include the Fair Labor Standards Act, occupational health and safety acts (Federal OSHA and State counterparts) and workers compensation statutes. Failure to comply may result in fines, claim expenses, and legal costs that are not covered by insurance.

Financial Management

The church is a business with assets (physical and monetary). Without its assets, the church may be unable to perform its essential ministries. While management requirements vary according to the size of a congregation, value of the assets, and types of ministries, all congregations need to safeguard assets and handle operations as a small business.

A congregation has several areas susceptible to fraudulent activity, theft and errors including: donations/contributions, purchases/payables and payroll. Each of these areas require adequate internal controls for the congregation to operate effectively and efficiently.

A small sampling of policies and procedures that can protect physical and non-physical assets and ensure compliance with financial and operational requirements include:

- Background checks on all new employees
- Restricting access to cash handling and bank accounts
- Segregation of duties for those who sign checks and reconcile bank accounts
- Cash and check offerings should be counted by more than one person
- Require approvals prior to purchase orders being submitted
- Payroll should be reviewed and approved prior to payment
- IT policies including cybersecurity policy and procedures
- Restrictive access to list of congregants with identifying information
- Business continuity plan in the case of a disruption due to fire, natural disaster, etc
- Credit card use policy

The execution of these policies and procedures require proper management supervision of these tasks. Many churches, especially small congregations, have not taken the important step to segregate financial duties. The consequences can be devastating financially, embarrassing to the members and leaders, and crippling to the church. It is far better to deal with the challenges of establishing controls than to deal with the fallout of not establishing them.

Americans with Disabilities Act (ADA)

In general, churches are not subject to the public accommodation requirements under the ADA since there are exemptions for religious organizations and the Federal law only applies to employers with fifteen or more employees. States may have corresponding statutes with different thresholds for compliance. For example, the Oregon threshold is 6 or more employees.

Despite the statutory exemptions available to small employers and religious organizations, churches will usually feel a moral responsibility to respond to the goals of the Act. An easy first step a church can do is to speak with the individual(s) with a disability and see how their needs could be best accommodated. In this way, the church may be able to work with the individual(s) without making wholesale changes to the building.

If your church leases space to third parties on a regular basis, compliance with the guidelines of the ADA may become a necessity. If the premises are used or rented by a nonreligious organization, the blanket exemption will not apply, and the third party would be required to meet the accommodation guidelines of the ADA.

If your church wishes to make changes to the building and surrounding facilities to accommodate those with disabilities, it doesn't need to happen all at once. Plan to have the alterations made over a several year period and include the accommodations in other work you have completed. If sidewalks are being repaired, have ramps installed at the same time. If the interior is being remodeled or an addition is being built, let the architect and contractor know that you would like to make alterations that help the facility become ADA compliant.

The U.S. Department of Labor sponsors the Job Accommodation Network (JAN), a free consulting service, to help employers reasonably accommodate persons with disabilities. Find more information at this link: <https://askjan.org/>. The EEOC provides information regarding "reasonable accommodation" at this link: <https://www.eeoc.gov/policy/docs/accommodation.html>.

Youth Ministry—See Section 4, *Youth Ministry*

Parish Nursing

Parish nursing, consisting primarily of health screening, wellness, health education and referral activities, is a common part of ministry. While the activity is Good Samaritan in character, it includes professional nursing components and thus the potential for allegations of malpractice. It is essential that professional nurses understand the difference between “health counseling” and “diagnosis and treatment.” Normally, understanding is assured by training in the principles of “parish nursing” and use of strict protocols, ideally under supervision of a physician.

For example, the Parish Nurse is not a physician, home health care nurse, or therapist. These activities may trigger a professional liability exposure. The job description for a parish nurse should be careful to limit duties to health education and counseling, referral advisor, advocate, and coordinator of support groups and volunteers.

However, even though these activities fall outside the normal meaning of professional care, it is prudent to have nurses’ professional liability coverage available to defend the parish nurse and church against the unlikely claim of malpractice.

Food Preparation

The occasional pot luck dinner does not create a high expectation of professional food service; however, once you provide food to the public, whether prepared onsite or elsewhere, there is an expectation of reasonable care in the storage, preparation, and distribution of the food. When food service is provided regularly, the highest standards are required, and a food service permit is likely to be required.

Once there is an organized food service operation, standards and supervision are required. Because volunteer workers may be the norm, means to easily train them must be considered. For example, rules might be posted in the kitchen area in a highly visible format. Careful supervision and First Aid training is needed, especially when volunteers are employed. Federal OSHA places strict limits on what tasks and equipment minors may use in a commercial kitchen. While OSHA may not have jurisdiction on a volunteer kitchen, reference to the standard is a good starting point for supervision.

Transportation—See Section 3, *Transportation Safety*

Landlord, Tenants & Services

“Covenantal” relationships are commonly referenced in the church environment, often referring to a personal or handshake agreement. This level of trust is valuable in personal relationships. But in matters of your church’s assets, informal agreements may have unintended, unanticipated, and financially disastrous consequences. For individual Trustees, acceptance of such agreements may constitute a breach of fiduciary duty.

Any time church facilities are being used by organizations or persons that are not owned and/or managed by the church, leases or facility use agreements are needed. Even when one church is either borrowing or renting the facilities of another church, a lease is needed because of things that may occur while the property is in the custody of the visiting congregation which are not strictly the responsibility of the host congregation.

Common features of such agreements are: (1) terms of indemnity, (2) requirements to prove insurance coverage, and (3) requirement that the church and its officers be named as additional insureds. Indemnity language assures that the tenant is responsible for things that happen because of the presence of the tenant activity, and that the tenant will defend the church and make it whole for any claims. Proof of insurance demonstrates the financial means to back up the indemnification. Additional insured status ensures that the insurance policy will back up the promise of indemnification. Remember, indemnification is the first priority; insurance is second.

An alternative which applies when a third party has limited use of church facilities is a Tenants Users Liability Insurance Program (TULIP). This coverage allows for a third party to obtain liability insurance specifically for the use of your church. TULIP allows the Tenant or User entity to purchase a low cost general liability product to cover their liability related to the utilization of the church premises, protecting the entity as well as the church by providing an extra layer of insurance protection and including the church as an additional insured. This coverage is available through the Insurance Board.

The same applies to the purchase of services of any kind. It is a good idea for your church to have a standard Purchase Order form or Service Agreement which governs the terms, and includes indemnity. When services such as snow plowing or construction will be performed on the church property, the service provider needs to provide proof of commercial general liability insurance, auto insurance, and workers’ compensation insurance.

Ministry Continuity & Emergency Planning

When most think of disaster planning, they think of the early phases of evacuation and rescue. These early phases often are supervised by public agencies – police, fire, National Guard, FEMA, etc. The term “business continuity” or “ministry continuity,” as we call it here, pertains to: “How do we continue operations in spite of the disaster?” Churches and other non-profits are commonly the backbone of post-disaster community relief, providing food, shelter, and grief counseling. If your church plans or foresees such a role, planning in advance is required to marshal human and material resources. Nevertheless, this kind of response is optional.

It is as likely that a calamity affecting only your church will leave it unable to conduct essential services and activities for days, weeks, or even months. Everything from worship to the operation of a day care to scheduled weddings or other sources of essential revenue may be affected. Where your church is dependent upon a revenue stream, there is a reason to make “ministry continuity” plans. Plans may include reciprocal agreements with other churches to share facilities, or stockpiling of materials, or investing in generators or pumps. The simplest of plans may save days or weeks in achieving full recovery.

We are obligated to discuss the chance an active shooter will target our congregations. While every response is contingent upon the circumstance presented, there are several important considerations that every church should assess, evaluate, and discuss in their respective church setting. The Federal Emergency Management Agency (FEMA) and Department of Homeland Security (DHS) have resources and information about what an individual should do during an active incident. Those options include run/escape, hide/lockdown, or fight/counter. FEMA includes a link on its page to a 5-minute video that evaluates these options during a shooter situation. That video can be found at www.ready.gov/active-shooter.

Opioids

The widespread misuse of opioids and the resultant increase of opioid overdoses were declared a National Public Health Emergency. With physicians writing over 250 million opioid prescriptions each year, the possibility for abuse is endless even for members of our community. Addiction to opioids does not distinguish between gender, socioeconomic levels, education attainment, etc. This crisis began due to an overreliance and overprescribing of opioids, and there is no quick fix for the individuals and families affected by this epidemic.

Realizing the opioid crisis' impact on communities, churches and other ministries are working to stem the tide of the epidemic through faith-based education and recovery programs, as well as hosting twelve-step programs. Ministries have also advocated for improved care of those addicted and tightening prescription protocols for opiates.

Additionally, ministries are exploring the best way to respond to accidental overdoses as another way to support congregants and families suffering from this crisis. Naloxone (Narcan) is an easy to administer, safe, and effective way to stop an opioid overdose and is increasing in its availability to the public. Ministries which choose to include Naloxone as part of their first aid program should make sure appropriate policies and procedures are in place, as well as provide training, including CPR training, to those individuals who would administer the drug. Naloxone is available as an injectable (into a muscle) or a nasal spray. Ministries should take great care in managing Naloxone inventory, keeping it secure and only accessible to designated, trained staff. Naloxone expiration dates should be checked at regular intervals and should be stored at room temperature and in the box until ready to use. Legal counsel should be consulted prior to the decision to maintain Naloxone on site to comply with specific state and local laws.

Cemeteries

For churches engaged in cemetery operations, there are professional standards for the handling of remains. Many churches have historic cemeteries on their premises, often open to the public and requiring continuous maintenance. Staff should be assigned to conduct frequent inspections to identify unstable headstones, breaches in security fencing, and defects in paved areas and grounds.

TRAINING 5-2

As outlined, there are numerous church activities that require knowledge of business and commercial processes. While some churches and special ministries are able to hire people with professional knowledge, great reliance is placed upon volunteers who may or may not have related secular experience. Therefore, it is necessary to recognize hazards and risks, and determine whether training is needed. A simple rule of thumb applies: if the person does not have working or professional experience, training is needed. Formal training is best, especially where serious injuries can occur. When formal training is not available, then careful supervision by an experienced person is needed.

INSPECTION/AUDIT 5-3

A basic principle of “quality management” is: ***You can’t manage what you can’t measure.*** A commonly used measurement tool is the inspection, or audit, of programs. Part of your fiduciary responsibility is knowledge of conditions and activities. To have knowledge of problems, you must look for them; others may be reluctant to bring them to your attention. By having a record of audits and inspections, you accumulate information on which you can make decisions, and act.

To achieve all that is required, your governing board should organize into committees (sometimes committees of one), to divide the labor and accumulate expertise about your churches condition and operations.

Checklists provided on our website, InsuranceBoard.org, are keyed to the risks identified. Certainly, they should be customized to any unique feature of your church’s activities. If you cannot answer “yes” to a question, then more investigation, or correction is needed.

REMEDATION & RESOLUTION 5-4

When you have knowledge of a problem or defect, you have an obligation to follow through and address it. Not all things can be immediately repaired; planning and budgeting may be required. Remember, to know and have record of a defect, and then ignore it, creates the proverbial “smoking gun.” If you cannot fix a problem, you may have to make the tough decision to suspend an activity, or close a facility.

Churches employ people who may fall into a protected class either by age, or disability. When there are issues of employee performance, great care must be taken in counseling and discipline. Church leaders must take care to consistently and fairly address performance issues, and to document the steps taken. When you find that steps have been skipped, you must step back, consider the consequences of a false step, and sometimes start over. Patience is required. In matters of employment, a small investment in legal counsel can avoid the larger impact of a potential financial loss.

YOUR OPTIONS 5-5

- **Minimize**—You will reduce the probability of loss by having good processes, and good supervision. When a process becomes unworkable it will be ignored or circumvented; then the prospect of loss increases.
- **Mitigate**—Especially when your church provides essential services to the congregation or to your community, planning for disasters and utility interruptions permits a quicker return to full service.
- **Transfer**—You can transfer the risk of liability to a third party that uses your facility or provides services through a well drafted contract.

REFERENCES AND RESOURCES 5-6

Financial Management

- Small Business Administration website - www.sba.gov
- Homeland Security - www.dhs.gov/topic/cybersecurity
- National CyberSecurity - Alliance <https://staysafeonline.org>

Disaster Ministries

- Disciples of Christ - disasternews.net
- UCC - ucc.org/disaster
- Presbyterian Church (USA) - pcusa.org/pda/

Food Service

- *Teen Worker Safety in Restaurants*, OSHA - osha.gov/SLTC/youth/restaurant/equipment_foodprep.html

HIPAA Privacy Rules

- U.S. Department of Health & Human Services

Contact us with questions
InsuranceBoard.org