



Supervise, Supervise, Supervise

These may be the three most important words in risk management.

BY MELANIE HERMAN

Nonprofits across the country are becoming increasingly interested in risk management. Those who work with vulnerable populations—children, the elderly, or people with disabilities—are especially attuned to the importance of protecting their clients. But some dangerous misconceptions remain:

Misconception #1: A focus on personnel screening is enough to keep your clients, staff, and organization safe from harm.

Misconception #2: Developing good policies is more important than implementing existing policies.

The Truth: Screening new hires and creating new policies are important. But it's just as crucial, if not more so, to supervise those responsible for client care and make sure they're following existing policies.

The Case

No Place Like Home¹ learned some sobering lessons about the need to supervise employees and check that they're following policies. This nonprofit, an alcohol and drug rehabilitation facility, had a long history of helping people overcome dependency. With generous funding from foundations, corporations, and

individuals, the organization was able to expand its services and renovate a former hotel into a state-of-the-art facility.

The organization's future looked bright until the day a 25-year-old male made his way to the roof of the organization's three-story building and fell or jumped off. The client, who later became the plaintiff in a suit against No Place Like Home, sustained multiple fractures, including bilateral fractures of his heel. His medical bills exceeded \$250,000, and medical personnel predicted that he would suffer from permanent disabilities, including a limp and a predisposition to early arthritis.

The Investigation

Representatives from the insurance company interviewed the nonprofit's staff. They learned that the door alarms, which would alert staff that someone was in the stairwell, had been disabled. They also found that the door leading from the roof to the stairwell locked automatically. Once on the roof, therefore, there was no way to re-enter the building through that door. Nor was the door alarmed to alert staff that someone was on the roof.

The insurer also discovered that the plaintiff's social worker had asked his supervisor to call 911 on two occasions after the client

became erratic and violent toward others in the facility. On both occasions, the supervisor refused, leaving the client unsupervised in his room. A review of the records showed that several staff had observed the plaintiff's erratic behavior.

At first it was alleged that the plaintiff must have gotten to the roof by climbing out his window. However, the discovery that no alarms were activated meant that he could have used the stairwell to reach the roof. Once there, with the door automatically locked behind him, the only way to exit the roof was to jump.

The Outcome

The insurer concluded that the nonprofit was potentially liable for the plaintiff's ability to get to the roof. It was impossible to determine whether the client voluntarily jumped, was suffering from some hallucination that caused him to fall, or simply fell from the roof. The injuries were significant and lifelong. With a potentially large verdict that might have included punitive damages, the insurer recommended a settlement. During mediation, the parties agreed to a settlement of \$550,000.

Nonprofit World • Volume 20, Number 2 March/April 2002
Published by the Society for Nonprofit Organizations
5820 Canton Center Road, Suite 165, Canton, Michigan 48187
800-424-7367 • www.snpo.org



Staff members should receive a regular brush-up on your core safety rules.

Risk Management Analysis

Supervision Is Key.

No Place Like Home's rigorous screening process for incoming staff was an ineffective defense against the supervisor's willingness to disregard signs of erratic behavior. It could be argued that the staff's poor judgment was directly related to the client's injury, since he relied on the nonprofit to step in when his illness impaired his judgment.

Focusing on screening out poorly suited applicants and predators is a worthwhile undertaking, particularly for an organization such as this one that serves a vulnerable population. But screening doesn't take the place of supervision.

Applicants who pass your screening process and become staff must receive training on your organization's policies. And veteran staff members should receive a regular brush-up on your core safety rules. Safety instruction should always include the reasons for the rules—in this case, why door alarms are critical to safety and why emergency personnel must be contacted immediately when clients make credible threats of violence.

When Rules Are Broken, Fix Them.

If a safety-related requirement, such as the system of door alarms at No Place Like Home, creates an undue burden or impedes your organization's mission, re-examine that rule. Decide how you can adjust that policy to better meet your organization's needs. Policies are useless when ignored or followed sporadically.

Hold People Accountable.

When people break the rules, they usually think they have good reasons for doing so. Perhaps they don't understand the policy or its importance to safety. Maybe they feel deluged by administrative requirements and believe that relaxing the rules is of little consequence. Or maybe the organization's culture stands in the way of accountability. Whatever the reason, it's not a good excuse. Always hold staff accountable for following policies that protect safety.

A person who ignores safety rules shouldn't be allowed to remain in a responsible position. Make it easy for staff to report concerns about a supervisor who is ignoring safety issues.² Be sure you follow through with appropriate punishment for anyone who risks your organization's safety. ■

Footnotes

¹The name of this organization is fictional, but the facts are based on an actual NIAC claim.

²See these *Nonprofit World* articles: "Protect yourself Against Employee Lawsuits" (Vol. 15, No. 2) and "Your Duty to Investigate Workplace Complaints" (Vol. 19, No. 3), available from the Society's Resource Center, www.snpo.org.

This column is dedicated to helping readers understand typical claims filed against nonprofit organizations and the risk management steps that could have made a difference in each instance. The scenarios featured in this column are adapted from actual claims files at the Nonprofits' Insurance Alliance of California (NIAC) and the Alliance of Nonprofits for Insurance, Risk Retention Group (ANI-RRG). NIAC and ANI-RRG are part of a group of 501(c)(3) insurers owned and governed by nonprofits. For more information, visit www.insurancefornonprofits.org or call 800-359-6422.

Melanie Herman is executive director of the Nonprofit Risk Management Center (1001 Connecticut Avenue, NW, Washington, DC 20036, www.nonprofitrisk.org, 202-785-3891). The Center, an independent nonprofit resource center, provides free technical assistance, practical publications, risk assessment software, customized training, and competitively priced consulting services.

Nonprofits can now

ACCESS THE INTERNET
through a service provided by the
SOCIETY FOR NONPROFIT ORGANIZATIONS

**You will have unlimited access
for \$15.95 per month.**

**For more information,
contact the Society at 800-424-7367,
or visit the Society Web site at www.snpo.org.**