



# Risk Management: Slippery Slope or Moral Imperative?

*How rigorously should you deal with risks to your organization, volunteers, and the people you serve?*

Q:

How should our nonprofit organization manage the risk of injury to children or adults in our care? How should we arrange for volunteers to transport these children and adults? For example, I'm

interested in answers to the following questions:

- Would it be prudent to require volunteers to submit driver's license numbers to our organization?
- Should we obtain motor vehicle reports on prospective volunteer drivers?
- Should we require approved drivers to notify us of any changes in their driving records?
- Should we maintain minimum limits of auto liability, medical payments, and uninsured motorists' injury insurance?
- Should we obtain liability insurance from insurance companies with certain minimum financial ratings?
- Should we require volunteer drivers to sign statements affirming that they are in good health, that they won't use drugs while driving, that they will use seat belts, they will keep their vehicles in good repair (if they use their own vehicles for driving clients), and so on?
- Should we keep volunteer drivers from using vehicles that have been the subject of consumer complaints or regulatory action?
- Should we require volunteers who use their own cars to complete vehicle inspection forms?
- Is this whole issue a slippery slope with the result that the more procedures we put into place, the greater becomes our potential for liability?

*Rebecca Morris, Volunteer Delaware, Ohio*

A:

Starting with your last question, the emphatic answer is: "No." It's never a bad idea to think through possible risks and develop procedures to reduce them.

Once you accept that fact, the short answer to all your other questions is, clearly, "Yes." All the cautionary measures you list are appropriate if they address risks that you have identified.

It's especially vital to deal with risks if your organization works with children or other vulnerable adults (such as elderly people or those with physical, emotional, or psychological limitations). Because of their age or disabilities, they are more at risk than most people. When working with them, then, you must take special care not only to identify risks but to evaluate and control those risks.

A helpful guidebook, *Volunteer Liability and Risk Management*, offers excellent advice on managing risks. Here is a brief summary of steps to take:

## IDENTIFY RISKS.

Potential risks that face your organization fall into three categories:

**1. Liability of the individual volunteer.** For example, what if a volunteer reports being injured by another volunteer?

**2. Liability of the organization to the volunteer.** What if a volunteer is injured in your parking lot due to uncleared parking areas, for example?

**3. Liability of the organization because of the volunteer.** What if, for instance, your volunteers abuse alcohol or other drugs while performing their volunteer tasks?

## EVALUATE THE RISKS.

Ask yourself: What are the odds? How severe is the danger? What is the magnitude of the harm? Then prioritize risks by likelihood of occurrence.



## CONTROL THE RISKS.

After identifying and evaluating potential risks, control each risk in one of the following ways:

- Don't offer the activity if it is too risky.
- Change the activity so that the chance of harm is reduced.
- Minimize the harm. Develop emergency procedures to deal with danger.
- Transfer liability to help lower financial impact via a memo of agreement, waiver of responsibility, or insurance policy.

## PRACTICE GOOD VOLUNTEER MANAGEMENT.

Many of the principles of good volunteer management are also good risk management. A crucial step to eliminating risks is to match each job with a qualified volunteer. Before you bring a volunteer into your organization, you must have a carefully designed volunteer management plan in place. Some points to include:

- Write a clear job description for each volunteer job.
- Create standard, written volunteer policies.
- Match each volunteer job with the right kind of person.
- Be sure that all volunteers receive proper training before they begin their jobs.
- Provide volunteers with key written materials, including a job description, personnel guide, organizational policies, standard volunteer practices, volunteer behavior guidelines, and emergency procedures.
- Be sure they complete an application or contract. Ask for emergency phone numbers and any medications they are taking that you should be aware of.
- Explain what they should do when they have questions, when decisions need to be made, or when there is an emergency.
- Show them how to operate any equipment they will be using. If they will be driving, have them take a driver's training course, and be sure to check their driving records.
- Start a file on each volunteer. Note the date they received

copies of your organization's key policies and procedures. Keep the file updated with evaluations of their work and notations of any inappropriate behavior you address with volunteers.

- Have a clear-cut procedure for dealing with problems that arise when supervising volunteers. If volunteers do something inappropriate, make sure they understand that what they did was wrong, and explain what they must do to correct the behavior. Have formal policies for terminating volunteers.
- Train staff to be alert to "red flags" when interviewing or monitoring volunteers.
- Set standards for working with your vulnerable clients and communicate those standards to the volunteers, staff, and the people we serve.
- Create a way for your vulnerable clients to give you feedback on your services and for you to review this feedback systematically.
- Have a crisis plan in place to handle emergencies, complaints, and accidents. Know the steps to follow if you are sued.

## CREATE A VOLUNTEER SCREENING POLICY.

Volunteer screening may be as simple as asking the potential volunteer to fill out an application and list people to call for references. Often, however, when we speak of screening volunteers, we're referring to a more in-depth background check, including a check of criminal and driving records.

Surprisingly, considering the importance of screening, not all organizations—even those that work with vulnerable people—screen potential volunteers. A national survey found that only half of youth development organizations and less than half (43%) of schools conduct background checks to screen out unsuitable job candidates.<sup>1</sup>

In today's world, such a nonchalant attitude toward screening is dangerous. If you are negligent in placing and training volunteers, you put your organization and staff at risk. Paid and volunteer staff in leadership roles could be held liable. Volunteer screening is essential to protect yourself and your organization.

Volunteer screening includes the following steps:

- Ask potential volunteers for references, and check those references carefully.
- Do a criminal background check and a driving record check if the job warrants it.
- Offer extensive training and orientation sessions for volunteers before they start their jobs.

Train staff  
to be alert to  
"red flags."



Many organizations have developed excellent volunteer screening programs. For example, Special Olympics has a policy that makes it possible to screen only certain volunteers extensively. It divides its volunteer jobs into three levels of involvement, called Class A, B, and C. **Class A volunteers** are those who may be in regular close contact with clients. Such volunteers include coaches, chaperons, drivers, and overnight hosts. Class A volunteers also include those with administrative and fiscal authority. **Class B volunteers** are people such as committee members and officials, who have casual or limited contact with athletes. **Class C volunteers** are single-event and one-day volunteers. The chapter office conducts all Class A and B volunteer registrations and screenings. This limits the number of people with access to confidential information about prospective volunteers.

Since Class C volunteers work only for one day or for one event, the local chapter registers them at the event. Class C volunteers don't need to provide any confidential information. They need only give their name, address, phone, and the name of the group with which they are volunteering, if applicable. Class A and B volunteers, however, must register beforehand. In addition to the information required of Class C volunteers, Class A and B volunteers must provide positive identification, such as a driver's license or student ID, the names of two non-family personal references, and written responses to the following questions:

- Do you use illegal drugs?
- Have you ever been convicted of a criminal offense?
- Have you ever been charged with neglect, abuse, or assault?
- Has your driver's license ever been suspended or revoked in any state?

If an applicant answers yes to any of these questions, the chapter must comply with state and local laws about requesting a background check. Class A volunteers must also provide written authorization for a criminal background check.

## PURCHASE INSURANCE.

Risk management includes protecting your staff, board, and organization through liability insurance. Before making any decisions, consult with an insurance broker. Be sure your broker understands how your organization is structured and what types of risks you are likely to face.

You should have some form of **general liability coverage** to protect your organization from liability for bodily injury or damage to the property of others. Ask your insurance agent for a basic policy. You can then amend it to fit your organization's needs. For example, since you have identified volunteer drivers as a risk, you will want to include **unowned-vehic-**

**le coverage.** It will protect your organization from claims derived from volunteer or paid staff members using their own automobiles on organization business. If this coverage is not included in the general liability policy, you can purchase it separately. You will also want **accident-and-injury insurance**, which will pay for medical expenses if your volunteers are injured while working for you.

You should also obtain insurance to protect your organization and its directors and officers from liability. Such insurance is known as **directors and officers (D&O) liability insurance.**<sup>2</sup>

## IT'S NO SLIPPERY SLOPE.

In other words, don't worry about starting down a "slippery slope" by putting risk-management procedures into place. Planning is the key to avoiding risks. A well-thought-out volunteer program with solid policies and practices reduces risks to the volunteer, your organization, and the people you serve.

For more information, we suggest you purchase *Volunteer Liability and Risk Management*, from which we have excerpted our answer to your questions. The guidebook covers all these points in more detail; while it focuses on Wisconsin law, most of its principles apply in other states. The 104-page handbook is available to Society members for \$25 through the Society's *Resource Center Catalog* (see page 27 of this issue).■

### Footnotes

<sup>1</sup>The Center on Children and the Law of the American Bar Association reports on a national survey of screening practices of 3,800 agencies in *Effective Screening of Child Care and Youth Service Workers* (1995). In 1993-1994, juvenile detention and correction facilities and foster care agencies were more likely to screen out unsuitable job candidates than were other types of organizations that work with children. Almost all juvenile detention centers conducted background checks, compared to 43% of schools and half of youth development organizations.

<sup>2</sup>For more on D&O insurance, see "Choosing the Right D&O Insurance for Your Board," *Nonprofit World*, January-February 1994, and "Protect Yourself Against Employee Lawsuits," *Nonprofit World*, March-April 1997.

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