GENERAL NONPROFIT RISK MANAGEMENT

A Guide to the Development and Execution of a Successful Risk Management Plan

irwin siegel agency, inc.
risk management services

AN INTERACTIVE RESOURCE

This resource has been created to act as a comprehensive learning experience. Throughout the book, you will find this download icon. Clicking the icon will direct you to additional resources which offer more detailed information on the topic being covered. Click on all of the icons to get the most out of this resource.

Contents



GENERAL NONPROFIT RISK MANAGEMENT

A Guide to the Development and Execution of a Successful Risk Management Plan

Introduction

Nonprofit organizations of all sizes face risk. Specific exposures are dependent on an organization's operations. While risk management may seem like a daunting task, the principles of risk management are simple. This manual will discuss the basic principles of a sound risk management program, and will address key areas where nonprofit organizations face the most risk.

Risk Management

Risk is the probability or threat of damage, injury, liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities. Risk Management is a structured approach to managing an organization's risks and exposures. It is a process of identifying a hazard, assessing the risk, putting control measures in place, and reviewing the outcomes. According to the National Alliance for Insurance Education & Research, there are six (6) major classes of risk:

1. **Economic,** based on the market place and market conditions
2. **Legal,** which refers to compliance and statutory exposures
3. **Political risk,** based on changes in law and/or policy
4. **Social,** includes public relations and the organization's reputation
5. **Physical risk,** refers to the organization's property and people
6. **Juridical,** includes court and jury attitudes which varies based on geographic location and social norms in the area the organization operates

One must fully understand the exposures associated with these risks in order to manage them. At times, your organization may find that one particular exposure will fall into two (2) different classes of risk. An example of such would be an untoward event that has legal implications from a compliance perspective, and also has the potential to create a significant reputational (social) exposure.

The process of managing these risks is crucial in the development of a risk management strategy. There are five (5) steps to the risk management process:

1. Identification
2. Analysis
3. Control
4. Financing
5. Administration

The sections in the following pages will provide an in-depth look at each step of the process.

Identification

This is the first and most important step in the process. The failure to identify a hazard strips an organization of the opportunity to analyze, control, or finance the exposure. There are several methods in which an organization can identify risks. Physical inspections, policy and procedure review, and consulting with a subject matter expert are a few examples of methods for hazard identification.

Analysis

Once an exposure is identified, it must be analyzed. There are two (2) types of analysis:

1. **Quantitative Analysis** can be easily measured, typically in numeric form. Examples include statistics, take backs, allowable and unallowable grant expenditures, cost benefit analysis, etc.
2. **Qualitative Analysis** is more difficult to measure in terms of numerical value. Examples would include shifts in government, societal trends, potential reputation damage, etc.

Both of these are important to fully understand an exposure.

Additional areas to include in an analysis are the loss potential or the total cost of a potential loss. This includes direct and indirect costs. Direct costs will include items such as deductibles and damage of property depending on the type of loss (these will typically fall under the quantitative analysis). Indirect costs such as staff morale, reputation damage, and loss of productivity are more qualitative aspects, making it more difficult to apply a numeric value.

FREQUENCY VS. SEVERITY

While conducting an analysis, it is important to consider how frequent a potential loss may occur and if it does occur, what the potential severity of that loss would be.

Important: If an organization is experiencing a particular loss frequently, the likelihood of a severe incident increases. Frequency breeds severity.

Control

There are two (2) primary theories regarding risk control. The **Human Approach** states that people make errors that contribute to losses, and the **Engineering Approach** attributes losses to mechanical or system failures. In many cases, losses occur due to a blend of both.

There are several methods to control losses:

Avoidance - An organization can choose to avoid an exposure or potential risk completely. However, this practice may inhibit an agency's advancement. Risk is inherent in every activity therefore avoiding all risk impossible.

Reduction - This is a method of mitigating losses through the use of tools and/or safety measures. An example would be installing a sprinkler system to mitigate a fire exposure.

Transfer - Transferring risk is perhaps the most common. This occurs when the risk is transferred to a third party by way of written agreements such as contracts, traditional insurance, etc.

Prevention - This method is intended to attempt to prevent a loss while continuing to engage in the activity.

Financing

The proper financing of an exposure or loss is critical to ensure the continuity and sustainability of an organization. Failure to properly finance a loss could result in the organization having to close its doors. There are two (2) primary means of financing risk:

1. **Retention** is the use of internal funds used to pay for a loss. Retaining the cost of a loss can only be done properly if the exposure is identified. There are two (2) types of retention, active and passive. Active retention refers to having identified an exposure and choosing to internally fund the potential loss. Passive retention occurs when an organization fails to identify, or fails to control an identified exposure.

2. **Transfer** is the use of external funds to pay for a loss. There are a number of risk transfer techniques that are useful in partially transferring, or transferring an exposure completely. Traditional insurance and hold harmless agreements are common risk transfer strategies.

Administration

Administration of a risk management program includes both implementation and examination of results. Risk management is a continuous process. As the environment in which an organization operates changes, so do its risks and exposures. Successfully implementing a risk management program requires commitment and participation from the senior management team, policy development, as well as training and education. Monitoring of results and making needed changes will be ongoing.

Governance

Every nonprofit organization requires a strong governing body and visionary leadership. This is not dissimilar to a fortune 500 company. Several principles of effective organizations are universal. The leadership of a nonprofit organization should strive to operate with similar principles of a for-profit business. Strong operating procedures, financial controls, and risk management programs will assist in building a strong foundation.

DUTIES OF THE BOARD

The board of directors of an organization is subject to three (3) basic duties when performing in their capacity of the board.

1. **Diligence.** Directors and officers must act with the care that a reasonable person would in a similar situation and circumstances. This requires reasonable inquiry and monitoring of the organization's activities.

2. **Loyalty.** Conflict of interest has been an increasing issue as it relates to directors and officers. Duty of loyalty addresses this issue and states that directors and officers will refrain from activity that will injure the organization in pursuit of their self-interest.

3. **Obedience.** There are several documents and statutes that dictate how the board is required to perform their duties. An organization's charter and/or bylaws are an example of these types of documents that the board must adhere to.

BOARD COMPOSITION

The composition of an organization's board is dependent upon several factors. Financial acumen, fundraising experience, legal expertise, marketing background, and an expansive network in the industry are some of the key attributes and skills that an organization should seek within its board membership.

EDUCATION

A board of directors must be educated on their responsibilities in order to carry them out effectively. The board should also have an intimate knowledge of the organization's culture. There are several components that frame an agency's culture:

- **Mission -** The mission statement clearly defines an organization's purpose and goals. The Board members as well as those employed or volunteering for an organization are working to carry out this mission.
- **Orientation -** A formal orientation program for directors and officers will ensure there is an overall knowledge of the organization. This knowledge will aide in sound decision making. Some areas to consider in a board orientation program are recent board and committee minutes, a tour of locations, annual reports, financial documents, and corporate policies and procedures.
- **Legalities -** As discussed in the Duty of Obedience, there are several statutes that dictate how the board is required to operate. It is crucial that all board members are familiar with their legal obligations.
- **On-going training -** On-going training of board members is just as important as the training of an organization's employees. The environment in which an organization operates will often change. Continuous education of the board will not only enhance their skills, but will keep them informed of changes that are impacting the organization.

INDEMNIFICATION OF THE BOARD

It is a priority for a board member to know the bylaws of the organization. This is to make sure the organization's Directors and Officers (D&O) insurance policy will indemnify the member to the fullest extent permitted by law. This is a member's first layer of defense in the event of a claim and is crucial to protecting his/her personal assets. D&O insurance covers 3 different types of claims.

1) A claim against an individual who is not indemnified by the organization. Typically, the retention on this type of claim is $0.
2) A claim against an individual who is indemnified by the organization. This type of claim the retention of the policy normally applies.
3) Claims brought against the organization. This type of claim will also have a retention and will depend on a few factors including the size (asset) of the organization, losses and the insurance carrier that is writing the policy.

Employment Practices

The legal environment around this line of coverage is ever-changing. Many claims are brought against organizations because they are unaware of the federal, state and local laws that govern employment practices. Understanding these laws is crucial in planning an organization's risk management strategies.

Discrimination claims are among the most common as it relates to employment practices liability. There are several federal laws that are violated in which most of these claims stem from.

The Americans with Disabilities Act (ADA)
Prohibits employers from discriminating against otherwise qualified individuals with disabilities due to their disability. Within the ADA, there is a provision that requires an employer to make "reasonable accommodations" unless an accommodation would present an "undue hardship" to the employers business. The law covers employers with 15 or more employees.

Title VII of the Civil Rights Ave of 1964
Prohibits discrimination by employers based on race, color, religion, sex, pregnancy, or national origin. These categories are referred to as "protected status" and are one of the primary sources of employment practices claims. This law also covers employers with 15 or more employees.

The Age Discrimination in Employment Act (ADEA)
Prohibits employers from discriminating against employees based on their age. This applies to employers with 20 or more employees.

THE HIRING PROCESS

The hiring process is a key element in an organization's risk management plan. Whether an employee becomes an asset or a liability depends largely on the organization and the resources they devote to bringing in the right person. There are several areas within the hiring process that are critical to ensuring an organization hires a high-quality employee. It is important that volunteers of an organization are screened in the same way employees are when being hired.

The Application

While an employment/volunteer application is standard in the hiring process, an application can pose a potential liability. Applications should not directly or indirectly ask questions that would violate any federal or state employment laws, such as information regarding protected status. Protected status includes age, religion, race etc. It is important that an organization not only understand federal, but state laws as well. Some states have more stringent requirements than others.

There are questions and statements that should be on all applications. For example, a statement that authorizes the organization to check personal and professional references, and a statement releasing all persons from liability resulting from the supply or use of the information provided. Another statement that should be on an application is an acknowledgement that the information provided is true, and the applicant agrees that providing false information may result in dismissal of the application, or termination of employment. Organizations should also state they are an equal opportunity employer.

Interviewing

Interviewing potential candidates for a position within an organization requires a wealth of knowledge. Only employees with proper training should be responsible for conducting interviews. If an individual conducts an interview without knowledge of federal, state, and local laws, the organization can find itself in an employment practice suit. The ability to solicit needed information to determine whether an applicant is appropriate for a particular position may not be as straight forward as asking direct questions. Information regarding protected status should not be discussed.

An organization should hire the candidate that best matches the job. A job match includes several factors such as skills, work history, and education. Hiring ill-fitting applicants leads to high turnover, which is costly for the organization. Many organizations don't fully understand the cost of turnover; however, it is one of the leading causes of unnecessary expenditure.

Screening

Once an organization settles on the prospective candidates it wants to hire, there are several pre-employment screenings that should take place:

- **Background Checks** - It is recommended that an organization conduct a nationwide background check. There are many cases in which an individual moves frequently from state to state in attempt to hide a criminal past.
- **Reference Checks** - A combination of personal and professional reference checks are helpful in getting a clear picture of the candidate.
- **Motor Vehicle Record Review** - For any employee that may be driving as part of their job function, it is important to review their motor vehicle record. There are other screenings an organization may want to perform depending on the employee's role and function. For example, if there will be interaction with children or vulnerable adults, the organization should conduct a search of a sex offender registry.

DISCIPLINE

In general, disciplining an employee is not preferable. However, on occasion it is a necessary action to maintain quality operations. The way in which corrective action is taken will determine the functionality of the employee's relationship with his/her supervisor. Supervising employees requires both positive reinforcement and discipline, both of which should be formally written when necessary. Every supervisor should keep notes on each employee they oversee. Keeping adequate records will assist in holding both the supervisor and the employee accountable for what was discussed in a meeting. These notes will also be the basis for an employee's annual performance appraisal. An employee should not be surprised by the content of his/her performance review.

Operations

Nonprofit operations are generally organized into three (3) major categories. These should include:

1. **Governance,** the board of directors that make the planning and management decisions that are carried out.
2. **Programs and services** provided to the community are the core of the organization. The programs offered may serve a general purpose or be very specific.
3. **Central Administration** consists of the executive and management personnel, as well as staff who are not directly involved in programs, but are an essential part of ensuring programs and services are delivered effectively.
   To be successful and efficient, an organization must constantly be developing, learning, building and adapting. Competent management of an organization is important to its progression and notoriety. Ensuring adequate distribution of services will provide reassurance to funders, staff, volunteers and the community.

TRAINING

In order to be an effective organization, there must be an opportunity for professional development and training. When staff members are able to attend trainings they are:

- More qualified for their day-to-day work
- Feel more confident and comfortable doing their job
- Prepared to assume increased responsibilities
- Feel more motivated
- Get a message of recognition and value from management

It is also a good idea for an organization to have a master training plan; there are three (3) categories that should be included:

1. core training,
2. optional skill and knowledge training,
3. professional development workshops.

Nonprofit organizations are often faced with obstacles when developing a training program. Lack of funding, and the ability to pull staff from their shifts to attend training are some examples. Other issues include high costs of external training, high turnover rates, and lack of board commitment to training and development. However, there are ways to create an adequate training program without exhausting the organization's budget:

- **Shared training,** such as linking with an agency that has similar staff positions
- **Discounted training,** some trainings are reduced for nonprofit organizations
- **In-house training,** send an employee to a seminar and have that person share what (s)he has learned at a staff meeting
- **Negotiate shared costs with the employee;** both the employer and employee can contribute to the training opportunity

FINANCE

An organization's financial department requires a great deal of oversight as there is a large potential for loss. Organizations have a finance manager or chief financial officer (CFO) oversee the finance department. The CFO, or finance manager should be overseen by a finance committee chaired by the treasurer of the board of directors. There are several standard internal controls utilized as part of the overall efforts to safeguard the organization's financial assets. These will include, but are not be limited to:

- A policy that requires all incoming checks are immediately stamped with "Deposit Only."
- A detailed log is maintained of all incoming cash and checks and reconciled with deposit slips and bank statements on a monthly basis.
- All cash and checks are deposited in the same business day, but no longer than 24 hours of the receipt of said cash and checks.
- Strictly limit access to mechanical signatures or check writing equipment.

In addition to the above internal controls, it is important that organizations separate duties that have the potential to conflict with one another. This will serve to protect the organization's financial staff. The following are some examples of incompatible duties, and a single employee should be limited to performing no more than two of these functions independently:

- Authorizing the purchases of goods and services
- Preparing purchase orders
- Approving payment for goods and services
- Receiving goods or overseeing the performance of services
- Preparing and signing checks (checks should require two signatures or the signature of an officer)

An independent audit firm should also be retained to conduct a year end audit.

POLICIES & PROCEDURES

The smooth operation of the organization depends on the development of clear and effective policies and procedures. They are necessary to define, regulate, and inform how an organization operates. A good policy/procedure is:

- Easily understood, written in plain English (so there are no misunderstandings of what is expected)
- Has a definite purpose for its creation (the organization should have a set of guidelines and principles to ensure cohesion for all members)
- Is flexible and can adapt to change (policies and procedures should be considered "live" documents, meaning they must be adaptable and evolve as needed)
- Is suited to the culture of the association (the policies and procedures must be relevant to the organization)
- Is developed through the involvement of employees and interested stakeholders (people are more likely to comply with policies and procedure if they have involvement in its production)
- Is communicated to all relevant people (if it is not communicated, it will not be enforced)

Fundraising

The most basic rule of fundraising is that a donation must be given "free and clear," meaning goods and services may not be given in exchange for a gift. However, Donors may receive small tokens of recognition for their contribution. Almost every state has adopted charitable solicitation laws that are intended to protect donors, the general public, and charities from fraud. These laws require all tax-exempt charitable organizations that request donations to register with the state. Every non-profit organization needs to know what their state requirements are and what laws are applicable.

Organizations must make sure funds are used in a manner consistent with their operation and the intention of their donors. According to a recent poll by the Association of Fundraising Professionals (AFP), this task has been the most common ethical challenge that fundraisers face.

Unrestricted funds are available for general use, and are free from outside restrictions by donors. Restricted funds are donations that have a designated use. They can be temporarily limited for a set period of time or until its purpose has been fulfilled. They can also be permanently restricted for a particular intention or period of time that does not expire. Intention and expectation of a donor's funds should be properly documented. This documentation must be provided to all appropriate persons within the association.

In accordance with the Generally Accepted Accounting Principles (GAAP) rules, any grants and/or contributions received must be booked in the year they were awarded. Funds should be tracked internally with accounting software. By tracking funds, an organization will easily know if money is restricted or available. If there is a surplus of restricted funds they should not be used otherwise unless written consent has been given by the donor.

For additional information and resources on fundraising, visit the Association of Fundraising Professionals at ***www.afpnet.org***

Members should keep donors aware of potential changes in the organization's mission or plans that might affect the circumstances of a restricted contribution. Good relationships should be kept with donors. If a restriction on a donation is proving too difficult, a donor may be willing to reconsider if he/she has a good rapport with the organization.

LIQUOR LIABILITY

Many event hosts are now being held accountable for the actions of their guests after they have left an event. Unfortunately, organizations can and will be held responsible for the injuries and damages that occur as the result of alcohol consumption. If liquor is going to be served at an event, it is important to offer non-alcoholic beverages as well, and always serve food. Make sure the organization has proper insurance coverage, and the broker writing the policy is aware that alcohol will be part of the event.

Controls to Prevent Drunk Driving/ Underage Drinking

It is important to enforce drinking laws. No event attendee under the legal drinking age of 21 should be consuming alcohol. Bartenders must check IDs for anyone that looks under the age of 30.

It has become common for organizations holding an event to provide sober rides home. Several organizations use their own staff or volunteers, but there are liability and expense concerns with this approach. Many nonprofits find that the smartest way to offer a sober ride home is to provide a program through their local cab companies.

Incident Reporting

When reporting an incident, the employee or volunteer who discovers, witnesses, or to whom the event is reported should be responsible for documentation. When an incident is being documented, it is important to be objective and only report facts. The following details are key items that should be included:

- Time, date, location of incident
- What happened and the effect on whomever was involved
- Medical and/or environmental details relevant to the incident
- Witness statements
- Injuries as examined by medical staff
- Any information pertaining to follow up and final outcome

An incident reporting form allows information to be documented and safeguarded for risk management/quality purposes. There should be a process in which this form is routed in order to be addressed and reviewed by the appropriate personnel. Once this is done it is very important that an investigation begins as soon as possible.

Incident investigations help determine how and why the incident took place. Thorough analysis of the investigation will help establish the root cause to assist in preventing reoccurrence and show areas in need of improvement.

An auto crash, no matter how severe, should be reported immediately to law enforcement and the supervisor. Every company vehicle should be equipped with a vehicle crash kit so employees can gather details about the collision. This kit should contain the current insurance card for the vehicle so it is easily accessible when needed.

Facilities – Owned or Leased

Space occupancy of a nonprofit organization can be costly. The option of whether to own or lease is worthy of exploration. It is important to examine how much space the organization will need, how long the space will be needed, and what financial resources are available. It is also essential to determine the level of risk the organization is willing to take, and what the benefits are for either leasing or owning the property. Some benefits of ownership are:

- Most jurisdictions exempt owned real estate from local property taxes if the property is owned by a nonprofit (501-c-3) organization,
- In many municipalities, tax exempt bonds are offered for nonprofits at favorable interest rates,
- Rent would be fixed over the long-term,
- Works best for large, long-term users

Some advantages of leasing are:

- Cost effective for small operations,
- Efficient for short term occupancy,
- Doesn’t require a large cash down payment,
- Easier to move if the organization shrinks or grows and different space is needed

Understanding the Lease and Your Responsibilities

Before entering into a lease agreement, an organization should recognize its requirements, negotiate the most favorable arrangement possible, and have the lease reviewed by legal counsel. It is important to have hold harmless and indemnity agreements reviewed for equality. Within the hold harmless agreement, any liability for the leased space should be clearly defined.

When signing a lease, it is essential to clearly understand specific responsibilities. For example, the lease should identify who is responsible for general maintenance, such as trash removal, repairs, snow removal/bad weather clean up, etc. The lease should also state the organization's legal responsibilities for the areas or activities under its control, any detailed guidelines for special features such as security equipment, air units, etc. The lease must also include what to do if a problem arises, if there are any limits on accessible areas, potential hazards, and any designation of supervision other than the landlord.

SUBCONTRACTORS & VENDERS

Organizations rely on suppliers for the operation of their business. Suppliers include subcontractors and vendors. Vendors sell products and services to small and large businesses. Subcontractors provide services, under contract, to the primary contractor or other subcontractors. It is important to protect the organization from loss or exposure to loss resulting from any negligence on the part of a subcontractor or vendor.

A waiver of subrogation is important because it surrenders all rights against the organization; including any directors, officers, and staff, for the recovery of any damages done while on the job. The subcontractor should have mandatory insurance regulations that cover all incidents. A certificate of insurance should be presented by the subcontractor to the organization before any work is started.

Certificates of Insurance

A Certificate of Insurance (COI) provides evidence that an outside contractor, vendor, or customer has the financial support of an insurance policy. It is important that appropriate coverage is included on the certificate with applicable limits. Coverage only applies during the policy period listed on the COI. If the certificate is needed for longer than the policy period states, then a replacement COI must be produced prior to the expiration date of the one on file. If an organization is listed as an additional insured on the COI, the organization will also be defended by the insurance policy(s) shown on the certificate.

Self Inspection Program

Self inspections should be done periodically to ensure proper systems/procedures are in place. Inspections should be done to include the following:

- Board of Directors, to analyze the performance of the board as a whole and its members as individuals
- Policy Management, for relevance and updates
- Financial Management, for review of statements, cost evaluations, independent audit
- Risk Management, for annual trainings, adequate insurance limits
- Human Resource Management, for current job descriptions, annual staff evaluations
- Programs and Services are appropriate, meeting needs of individuals, goals are set

KEY CONTROL & ACCESS TO FACILITIES

Reasonable personal security for members of an organization should be established to ensure protection of personal and agency property. This can be done through the control of keys to secured areas.

- The facilities department of an organization should be responsible for the issuance and control of all keys
  - An identifying number should be given to each key.
  - Keys should not be duplicated without prior approval and control of a designated officer.
  - The designated officer should only issue keys to established areas under their responsibility.
    - Staff members should only be issued keys consistent with the job responsibility, actual need, and the approval of the Department Head.
    - Anyone receiving a key should put up a deposit which will be refunded when the key is returned, or an authorization form should be signed, allowing a specific amount to be deducted from pay if the key is not returned.
- A staff member's separation will not be complete until the key(s) assigned have been returned and written verification is generated.

A Key Control Database should be set up and maintained. The database should be centralized, protected, and efficient. It will be used for recording, storing, and accessing key control data. Key control data is all data relevant to:

- Key issuance,
- Key replacement/ collection,
- Specific locations/ key holders,
- Authorization of work,
- Key filing,
- Hardware maintenance, etc.

The Key Control Database should consist of two (2) distinct components:

- Hardcopy Files(work order forms, individual reports)
- Computerized Database, which will allow for more compact and efficient data storage and retrieval (reports, lists, authorizations).

Auto

Providing transportation services to clients plays a vital role in an organization. The organization must however recognize its responsibility to provide safe and competent transportation. Only persons approved and authorized by an organization should be permitted to drive an agency owned vehicle, or any other vehicle on its behalf. A list of all approved company drivers should be kept on file by the organization.

MVR Guidelines

It is essential to assess MVRs for any new hires and to check MVRs for existing employees on an annual basis. An employee should be deemed unacceptable to drive on behalf of the organization if any of the following apply:

- One (1) or more Type A violations in the past three (3) years,
- Any three (3) or more Type B violations in the past three (3) years,
- A driver under the age of 21,
- A driver that has been licensed for less than three (3) years,
- A driver that only has an international or foreign driver's license,
- A driver who is not licensed in the state he/she resides in within the time frame required by the state,
- Any suspension or revocation of their license within the past three (3) years.

Any employee involved in a preventable accident should have their MVR reviewed every six (6) months.

Hired/ Non owned

If an employee of an organization has a vehicle collision in their personal vehicle while on company business, their personal insurance might not be enough to cover the claim and the organization can be held responsible. That is why it is important to have Hired and Non-owned auto coverage.

Hired Auto coverage can either supplement or replace a car rental agency's liability coverage. This liability coverage protects only the company, not the employee driving the rented vehicle. An employee would still be personally liable for injuries or property damage to third parties however; this coverage would supplement the driver's personal auto liability coverage.

Non-Owned Auto coverage protects the company should it be sued due to a vehicle crash while one of the organization's employees is on company business in a personal vehicle. This coverage will not protect an organization's owner or its employees. As with hired auto coverage, this coverage protects the company only, and supplements the driver's personal auto liability coverage.

Insurance Requirements

Organizations that operate a fleet of any kind must maintain the appropriate vehicle liability insurance. Coverage varies from state to state so it is important to check state coverage requirements.

It is recommended that any employee driving their own vehicle on company business have automobile coverage on their vehicle of $100,000/$300,000. All employees are required to have state minimum coverage.

Personal Use of Company Vehicles

It is strongly discouraged to allow employees to use company vehicles for personal use. However, if an employee is allowed to use a company vehicle for personal use, a policy should be created addressing some of the following:

- the personal activities allowed,
- how far the vehicle can be taken,
- who in the employee's family is allowed to operate the vehicle

Driver Training

In order to provide the safest environment possible for all persons of the organization, any employee who drives as a part of their job duties should be required to take driver training upon hire and annually thereafter. Driver training programs should be specific to the risk exposures of the organization and to the equipment being used. Authorized drivers should review the following during training:

- Driver safety rules
- Defensive driving guidelines
- Authorized use of agency owned, leased and personal automobiles
- Operating specially equipped agency or leased vehicles or vehicle equipment
- Pre and post trip vehicle inspections
- Vehicle maintenance guidelines
- Accident procedures

Thought should also be given to whether classroom instruction is sufficient, or if a practical training should be included.

Sound risk management practices will create confidence in the operations of your organization. A solid risk management plan that reflects the organization's mission and culture will improve existing safety programs. When the threat of unnecessary risk is reduced, a nonprofit organization can be more resourceful in providing services and accomplishing results.

Notes

Notes

About Irwin Siegel Agency, Inc.

Irwin Siegel Agency, Inc. (ISA) is a leading insurance and risk management organization service the Human Services field and Non-Profit sector, and insures service providers in 50 states and the District of Columbia. ISA continues to set the standards of quality, innovation and value when it comes to developing new programs that meet the dynamic nature of the Human Services and Non-Profit fields.

Our Risk Management Division continues to develop specialized resources to assist our customers in their endeavors to effectively manage risk and control losses. In conjunction with our business partners, we offer loss control training seminars and teleconferences that address important field-related issues. We have also accrued an inclusive video lending library containing information on field-related programs, including but not limited to; vehicle safety, workforce issues, stress management, medication administration, fire safety, self-determination, and working with challenging behaviors.

Not only does our Claim Department offer a caring and experienced staff, but also the claims offices with which we work are staffed with designated adjusters who have extensive training in the Human Services and Non-Profit fields and who are familiar with the unique coverages and nuances of our policies. To supplement our adjuster base, we have a network of distinguished legal professionals who bring years of successful experience to the table, particularly with regard to those legal matters indigenous to the Human Services and Non-Profit fields.

ARE YOU COVERED?

Some insurance coverage available through ISA include:

Directors & Officers Liability Insurance

Employment Practices Liability Insurance

CyberLiability - Network Security, Privacy Liability & Identity Theft Coverage

HIPAA/Medefense® Plus

Volunteer Accident Protection

Professional Liability

Availability may vary by state.

Sample of Available Resources

Printed Publications

- Social Media in your Employment Practices
- Volunteer Program Risk Management
- Compliance and Ethics: A Guide to the Development of a Compliance Program
- 10 Things to Know About HIPAA
- Safety Committee: A Guide to the Development and Implementation of an Effective Safety Committee

Flyers & Bulletins

- Key Control
- Standard Precautions for Infection Control
- Hazard Communication - Important Things to Remember
- Various Auto Safety flyers

Video Lending Library

- Safety and the Supervisor
- Blueprints for Safety: Taking Control of Workplace Violence
- The Challenges of Supervising Staff: A Training Video for Front Line Managers in the DD Field
- Conflict Resolution - Strategies for Helping Staff Successfully Resolve Conflicts with Each Other
- Sexual Harassment for Employees
- Safety Orientation and Accident Prevention

Partner Programs

- Online Training, including Continuing Education Courses
- Background Checks & Pre-Screening Services
- Incident Management Training
- Vehicle Incident Monitoring

And much more...

irwin siegel
agency, inc.

INSURANCE PROGRAMS & RISK MANAGEMENT

po box 309, rock hill ny 12775
1.800.622.8272 fax: 845.796-3661
email: siegel@siegelagency.com
www.siegelagency.com