
ESSENTIALS OF A RISK MANAGEMENT SYSTEM

*A Shepherd's Center
Complete Guide*



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ESSENTIALS OF A RISK MANAGEMENT SYSTEM

Many Shepherd's Center leaders don't think about risk management for their organization until something bad happens. With busy schedules and a long list of to-dos, it's tempting to make risk management a low priority. However, the injuries and liability exposures that can result from ignoring risk management can damage the Shepherd's Center's operations, reputation, and staff/volunteer relations. It also can jeopardize your access to affordable insurance coverage. So there are many good reasons to devote time and effort to develop a practical and sustainable risk management system.

In collaboration with Volunteers Insurance Service (VIS), which provides a nationally recognized volunteer insurance program administered by the CIMA Companies, we've created a simple, step-by-step guide with nearly 20 tools and samples. This complete kit is easy to use to develop policies and practices that protect both your volunteers and your Shepherd's Center.

You may be asking why you need a risk management system at all. First, by demonstrating your commitment to safe operations, it helps you attract and retain the best volunteers in your community. Second, it protects your Shepherd's Center's insurance limits, claims experience, client relations, and staff relations. In short, it protects your mission and your reputation.

Onboarding Volunteers

Volunteer Application

Before potential volunteers walk through your door, make your volunteer application form work to your advantage in selecting and assigning volunteers. Make available various assignments and job descriptions so that you can match these to the potential volunteer's areas of interest.

Ask about special skills. Also, ask about limitations as well as allergies or other medical conditions that could affect assignments, including driving.

It is far easier to match volunteers and assignments effectively if you have completed registration forms and written job descriptions.

Tools

- Volunteer registration form
- Volunteer job description

Background Checks

The volunteer selection process also includes background checks if the individual is working with vulnerable clients or handling money. Be careful, however, with regard to the screening you undertake. The Federal Trade Commission has ruled that the Fair Credit Reporting Act applies to volunteers as well as employees. If you obtain a credit history on a volunteer, you must have a reason related to what the volunteer's responsibilities will be.

There are a variety of federal and state laws that apply to background screening, which is why it is best to rely on a professional firm for background searches. Check Motor Vehicle Records once a year if the volunteer will be driving on behalf of the organization, and track the state inspections.

Tools & Resources

- Verified Volunteers, a background screening partner for SCA affiliates
- Motor Vehicle Record Acceptability Checklist from VIS

Training and Orientation

Training and orienting your volunteers is an opportunity to introduce your Shepherd's Center and the whole Shepherd's Center Network's shared mission and goals. The purpose is to consistently communicate policies and procedures. A well-oriented volunteer will also be a better ambassador for your Shepherd's Center in the community. Basic orientation and training should include:

- An explanation of your mission and history. How did it come to be and how has it evolved?
- An explanation of the various programs you offer and for whom.
- A review of your organization set up. Are there staff, volunteers, board leaders and so forth who work in the office regularly? This review of your organizational structure will reinforce the roles for your volunteers.
- A tour of your facilities and policies. Review hours of operation and telephone protocol. If the Shepherd's Center office space is shared, explain key staff with the host facility (e.g., a congregation secretary).
- A review of your general policies and procedures, such as but not limited to confidentiality, emergency procedures, political activity.
- A review the specific volunteer assignment/job description and conduct expected. Does the volunteer know to whom he or she should report? Whom do they see if they need something, or have a problem?
- A tutorial on recordkeeping processes. How do volunteers schedule their time? Does the volunteer need to check in? How do they log their hours? How do they submit expense reports?

One of the risks with volunteer involvement is not communicating what is expected. Your orientation program is a good opportunity to reduce that risk. One beneficial strategy is to have veteran volunteers train new ones. This is a good way to reinforce the veteran volunteer's own knowledge, as well as to train the new person. And it is one more way of reminding veteran volunteers that you value their skill and experience.

All volunteers and staff are expected to adhere to the standards you describe through your orientation. This accountability is necessary to correct poor performance and discipline as needed. Just because volunteers are unpaid, it does not mean you cannot discipline them and even terminate them if necessary. Sometimes in a close-knit organization people are reluctant to question or criticize others. That reluctance creates a risk, however, and it can hurt you. Do not worry about offending the volunteer. As long as you are sincere, and keep the Shepherd Center's interests as your first priority, you will be fine.

Ongoing training should be provided for all volunteers. This is an opportunity for volunteers to socialize, but importantly it is a way to share changes in programs and policies. Explain that you are adopting new procedures to manage risks in the organization.

Tools & Resources

- *"To keep good volunteers, minimize these risks,"* from VIS
- *"What not to say to an angry volunteer"* from VIS
- Volunteer time sheets
- Volunteer reimbursement forms
- Checklist for Volunteer training
- How to fire a volunteer

Identify & Evaluate Risk Scenarios

Now that you have trained volunteers, the next step in a risk management system is to identify and evaluate risk scenarios. Begin with risks that are most foreseeable, then dig deeper. In this section, common examples of injury and liability risks are explained along with some that are uncommon but still might exist in your Shepherd's Center environment.

The four most common volunteer risks categories include: injuries to the volunteer, liability (injuring someone or damaging their property), automobile liability, and dishonesty.

Common Injuries to Volunteers

Falls

Falling is the most common type of accident that causes volunteer injuries. Look at the environment the volunteer will be assigned, whether it is a Shepherd's Center, client's home, or other location where the volunteer is assigned. If possible, have the supervisor scout the locations where volunteers will be assigned. If that is not possible, tell volunteers you want them to be your eyes and ears at the locations where they are assigned, and report any conditions that might cause an injury to the volunteer, or to anyone else.

Designate a person to whom the volunteer can report – a staff member or veteran volunteer who will make sure hazards that have been identified are eliminated, either doing the work themselves or assigning it to another capable volunteer.

Kinds of hazards that might cause a fall:

- Clutter on the floor
- Boxes left where people walk
- Loose rugs or floor tiles
- Uneven sidewalks
- Extension cords
- Poor lighting on stairways
- Loose handrails

Other hazards associated with falls occur when volunteers have to reach anything up high. Even if occasionally, make sure there are ladders or step stools easily available. If the volunteer is working outside your facility, where there's no ladder or stool provided, have the volunteer bring one from home if possible.

Do volunteers have to carry things up or down stairs? One hand should be free to use the handrail. Don't carry anything heavy enough to require both hands. To avoid falling, take two trips with smaller loads, instead.

Finally, winter adds to the risk of injuries due to falls. Are your volunteers prepared to clear the walk and the steps at the locations where they work?

Remember – *You* might be familiar with the territory, but the new volunteer is not. Make sure volunteers are mentally prepared for anything that is different from what they are accustomed to.

Moving and Securing Heavy Loads

Back injuries and strains in limbs and joints are a common injury among volunteers. Make sure volunteers know how to lift properly – with the legs, not the back. If practical, reduce the size of the loads volunteers need to carry or move. Reassign responsibilities as needed to ensure that volunteers are – and continue to be, over time – capable of carrying out assigned tasks safely. Consider hand trucks, dollies, or other materials-handling equipment.

Do you ever transport large items in a vehicle, such as a pickup truck? Make sure a staff member or volunteer who knows how to secure those items with ropes provides training to all volunteers who do that work.

Use of Tools

If your volunteers use tools—for example, doing repairs or maintenance at a client’s home—have them *show* you they know how to use those tools, not just *tell* you they do. Designate one or more volunteers who know how to use those tools safely, to supervise and provide any necessary training.

Any time your volunteers use cutting tools or handle sharp materials, require that they wear leather gloves.

Working Outdoors

If your volunteers do outdoor work at clients’ homes, or perhaps at the Shepherd’s Center itself, make sure they have the right clothing and equipment. Many times, accidents can be prevented by just requiring volunteers to wear long sleeves, gloves, safety glasses, and the right kind of shoes.

Volunteers sometimes have allergic reactions to bee stings, poison ivy, and pollen. Protective clothing can help. But a volunteer who has

allergies also can be assigned indoor work, or provide transportation services, at least at certain times of the year. Note that you are free to ask about allergies, and any other medical condition or physical limitation that might affect a volunteer's ability to carry out a task safely.

Less Common Injury Risks

After you have identified common risks that exist, or might occur, in your operation, brainstorm risk scenarios that are not easily foreseeable. For example, consider these scenarios:

- Are volunteers sometimes asked to perform tasks that are outside the scope of their responsibilities? Particularly when volunteers are working in clients' homes, they might be asked to move a heavy object, retrieve something from a high shelf, or return on the weekend to do some work, without being physically able to perform the task or lacking the proper equipment. Instruct volunteers to contact their supervisors to discuss any such request, before agreeing to do it. The supervisor should discuss the request with the client to make sure everyone understands what is needed. Make sure the volunteer is willing and able to comply.
- Do any clients have dogs that might bite a volunteer? What about the clients' neighbors? This is a good reason to scout the locations where volunteers are assigned, and/or ask the client about dogs in the vicinity.
- Do any clients have communicable diseases that pose a threat to the volunteer? This is especially a concern in flu season.
- Do volunteers working in clients' homes come in contact with the clients' family members? How much do you know about the family? It is an unfortunate fact that many adults who live with their elderly parents are taking financial advantage of them, or otherwise abusing them. If there is a Shepherd's Center volunteer who visits regularly and has a bond with the elder, the adult child exploiting his or her parent(s) will consider that person a nuisance at least, and possibly a threat. Consider the possibilities, and make volunteer assignments appropriately. (NOTE: Tell

volunteers to report to you any signs of possible abuse. Aside from any physical evidence such as bruises, does the client seem withdrawn or nervous in the presence of family members, or do those family members respond when you direct a question to the client? Your local Adult Protective Services can provide more information.)

Volunteer Liability Risks

Liability is a situation in which the volunteer and/or the organization are held responsible for bodily injury or property damage. (There are other kinds of liability, as well, but for purposes of managing the risk of volunteer engagement, we will confine the information here to bodily injury and property damage.)

If there is a lawsuit, it will say your volunteer was negligent or your organization itself was negligent. Here is a working definition of negligence:

You did not do something you should have known to do, or you did something you should have known not to do, and damage resulted.

If you did not properly screen, train, or supervise the volunteer involved, then liability might extend to your Shepherd's Center. Although the charges might not be valid, it is important to create an environment where the chances of a liability claim are as low as you can make them.

Verbal or Physical Assault on a Client

If volunteers don't have instructions from you, they might react to situations the same way they would with their own family members. Their way might or might not be acceptable. It doesn't happen often, but there have been liability claims against volunteers who struck people in their care.

So, have written procedures for how volunteers should defuse a situation where the person in their care becomes agitated, or even verbally abusive to a volunteer. Have the volunteer mentally prepared

for any situation where tension might be high and emotions could take over a volunteer's actions. Just as you want them mentally prepared for hazards that could cause an injury to the volunteers themselves, you also want them mentally prepared for situations that could escalate into their hurting someone else, or being accused of hurting someone.

Accidental Injury to a Client

Make sure you know what assistance, if any, the client needs from the volunteer. For example, when driving someone to an appointment, is assistance from the door to the volunteer's vehicle, or through the door at the destination needed? Is arm support needed? Is a walker or wheelchair involved? Make sure the assigned volunteer is capable of providing whatever assistance is needed, and that the volunteer's vehicle can accommodate any assistive equipment needed as well as any other passengers who will be on the trip.

Case Story: An elderly man was hurt falling out of his wheelchair that was being pushed by a volunteer. The client was afraid the chair was going too fast, so he put his feet out to stop it, and was thrown out. This is an example of the need for good communication. Make sure your safety training includes how to communicate effectively with clients, taking time to listen, and making sure the client is comfortable at each stage of the interaction.

In many cases, volunteers providing transportation to medical appointments are asked to attend the appointment and take notes, then go over the notes later with the client. Does the client want the volunteer to do this? Is the volunteer willing? Make these determinations in advance – not when the client arrives at the medical appointment.

Note: The VIS volunteer liability insurance policy would defend a volunteer who accidentally causes bodily injury to a client because of a misinterpretation and miscommunication of the doctor's instructions – as long as the volunteer is NOT a medical professional. Medical professionals should have their own liability insurance.

False Accusation

Sometimes accusations are false. But even if you are blameless, you still must defend yourself. This can be not only financially challenging, it can harm your reputation and take your time away from typical duties. This is when insurance comes into play. First, do what you can to reduce the risk that an incident will occur. Second, try to avoid situations where the volunteer is in which he or she could be falsely accused.

Require background checks for any volunteers working with vulnerable individuals. Have written procedures and take time to explain them. Having procedures designed to prevent bodily harm will help you in two important ways:

- 1) You can make sure volunteers are consistent in how they deal with those they are caring for; and
- 2) You will discourage any person who has bad intent and wants to volunteer for your organization.

Remember that clients with dementia might falsely accuse a volunteer of assaulting him or her, or stealing something from the client's home. This is one more good reason to learn as much as you can about each client, make volunteer assignments appropriately, screen all volunteers working with vulnerable clients and hold them accountable for following your procedures. Remember, have volunteers get the supervisor's approval before accepting any request outside of their assigned responsibilities.

The supervisor should speak to the client occasionally, to make sure the client is satisfied with the volunteer who's been assigned.

Note: The VIS volunteer liability insurance policy provides legal defense for volunteers accused of assault, including sexual abuse. The defense stops if the volunteer admits guilt or is adjudged to be guilty.

Automobile Liability Risks

Accidents at intersections are the most common kind of automobile accidents (e.g., left turns when you do not have the right of way, turning

from the wrong lane, and running stop signs). Inclement weather increases the risk. There have been very serious accidents, including fatalities, in which volunteers were at fault.

Vehicle-related accidents do not always occur in traffic. Sadly, there was a claim in which a volunteer driver did not realize the client was behind the car, and backed over her, killing her. This tragic episode illustrates the fact that crucial risk management practices often are very simple. The incident might not have occurred if the volunteer driver had been trained not to move the vehicle until the client was safely buckled in.

In another claim, a client tried to get into the volunteer's car while the car was in gear. The volunteer's foot slipped off the brake pedal when she reached over to open the door, and the client fell and broke her leg. To prevent such accidents, train volunteers to keep their vehicle doors locked unless the car is in "park." Again, the simplest solution often is best.

Consider having a written test on your safety requirements, which volunteers must pass before they can transport anyone for your organization. Obtain Motor Vehicle Records, at least annually, for all volunteers who will use their vehicles to transport clients.

If your state requires annual vehicle inspections, put each volunteer's vehicle inspection date on your calendar, and ask the volunteer for a copy of the certificate every year on that date.

Tools & Resources

- "Preventer Papers" on vehicle safety from VIS
- Motor Vehicle Acceptability Checklist from VIS

Dishonesty

What access do volunteers (or your staff, for that matter) have to bank information and other sensitive data that might present an opportunity for embezzling funds? This type of theft happens sometimes. Almost always, it is a big surprise since the thief is someone who was trusted.

Note: VIS offers employee/volunteer dishonesty insurance to allow your Shepherd's Center to recover if you are the victim of embezzlement.

Resources

- "Preventing acts of dishonesty" from VIS

Eliminate, Reduce, or Transfer Risk

To eliminate and reduce risk, you must know what the risks are. The idea is to ask yourself, "What could possibly go wrong?" Think of the possible negative things that could happen then consider how you might avoid something bad happening.

As you dig deep to identify risk scenarios and develop appropriate responses, consider possibilities such as these:

- While online at your office, a volunteer accidentally clicks on a ransomware link. Basic training in computer security is good risk management.
- A volunteer loses, or steals, your client list or donor list. Do you have a confidentiality agreement? Who has access to your most sensitive data? Restrict access to those who really need it. For those volunteers who have access, perform criminal background checks. Although a person with a clean record might commit a crime, obtaining the background check demonstrates your due diligence. That can reduce the risk of a successful liability claim against your organization. (Remember the definition of negligence.)
- A volunteer jeopardizes your tax-exempt status by violating IRS rules, when he or she advocates for a particular political candidate, ostensibly on behalf of the Shepherd's Center. More information on the rules regarding political advocacy can be found in the section on nonprofits at www.irs.gov. Make sure your volunteers and staff are aware of these rules and follow them.

Resources

- Confidentiality agreement

Ranking Risks

It is recommended that you brainstorm possible risk scenarios. This list should include at least 25 scenarios. Assign each of these risks a grade of A, B, C, or D for the severity of the risk. The disasters that would threaten your organization's existence would have a grade of A, and those you could get past with minor inconvenience would be grade D.

In this phase, your "A" severity risks might include criminal activity by prominent people in your organization. Do not hesitate to discuss it. There can't be any taboos in risk management. If it can't be discussed, it can't be managed. After assessing the severity of each risk, assess the frequency of each -- again using the A, B, C, D system. However, the highest frequency doesn't necessarily mean the most serious risk. If your volunteers do home repairs, a finger is going to be mashed every now and then. It really comes with the territory, so that is a frequency of A. But usually the injury is not severe, so you would not devote extensive time and resources attempting to eliminate the risk entirely. On the other hand, there could be a very remote risk scenario that is so severe you want to reduce or eliminate it as a top priority. So consider severity and frequency together, as you evaluate how serious each risk is.

Resource

- Volunteer Risk Questionnaire from VIS

Accountability

Take time to watch your volunteers in action, and correct them if they are doing something that is unsafe. Let them know you want everyone to work safely so no one gets hurt. If you say it with an attitude of helpfulness, they are likely to appreciate the message – and be more aware of hazards.

If you can make time for it, have safety sessions with volunteers as a group, and educate everyone at once. But if group sessions aren't possible, you can conduct safety training with your volunteers individually. Either way, you are creating a culture of risk awareness.

Risk Transfer

Insurance is available for the risks you cannot eliminate entirely. Insure your volunteers *separately*, rather than including them on the liability policies designed to protect the Shepherd's Center and its paid staff.

The reason: Your liability policies include fixed limits of liability. The insurance company is not concerned how that limit might be allocated, if a liability claim results from a volunteer's actions and both the volunteer and the Shepherd's Center are sued. Therefore, if volunteers are included as "insureds" on your organization's policy, your limits are shared with volunteers, and might be exceeded by the amount of legal defense, judgments or settlements. The result would be an underinsured claim and an out-of-pocket loss – perhaps a very large one -- for your Shepherd's Center.

Resource

- "Insurance basics for nonprofit organizations" from VIS

When Incidents Happen

If a volunteer is injured, injures someone else or damages someone's property, what are the volunteer's responsibilities, and those of his or her supervisor, to address the issue? It's critical to have formal procedures for responding to an incident. Make sure these are written, communicated and understood.

The chain of command is very important. Make sure volunteers know that if there is an injury, or a potential liability situation, they are to report it to their supervisor. Not to the police or a local government agency, but

to the supervisor -- as long as this arrangement complies with the mandated reporting laws of your jurisdiction. Make it the supervisor's job to handle it from there. The same is true if there is a complaint *about* a volunteer.

How does the supervisor know what to do? It goes back to the brainstorming of risk scenarios and how to deal with the risks you can imagine. Develop the appropriate response for each risk scenario you identify, using the examples in this section as a guide.

The Importance of Timely Action

In the case of an injury, once the injured person gets medical attention, get as much information as you can about what caused the injury. Talk to any witnesses, write down what they say, and get their contact information. If there is a dispute over the facts, get both sides of the story. If you have a situation where a liability claim might arise, do not admit liability. Just get the facts and tell the other party you will report the incident to your insurance company.

Report it right away. Claims often are slow to develop – particularly liability claims. Many times, those claims can be traced back to one or two incidents that happened months earlier. So it is important to begin your investigation at the first hint of a problem, and also put your insurance company on notice. Do not allow your attorney to decide whether to report the claim, and do not wait for it to blow over. This could jeopardize your coverage. The insurance contract says you must provide timely notification of claims, and you do not want to be in a position of arguing about whether your claim was timely.

After your initial response to the incident, see what you can learn from it. Deconstruct what happened. Were your safety procedures being followed? If not, why not? What should have been done differently? Having that information can help with training to prevent a future occurrence.

Promote your Risk Management Program

If you develop a formal risk management system, or refine the one you have, make it official by adopting a risk management policy statement.

Communicate your risk management policy throughout the organization. Play it up in your Form 990 that you file with the IRS, and other documents your supporters might see.

Resource

- Sample risk management policy from VIS

Index of Tools & Resources

Available in the Shepherd's Centers of America online library

- Confidentiality agreement
- How to fire a volunteer
- Sample incident report
- Sample reimbursement form
- Sample time sheets
- Verified Volunteers, www.verifiedvolunteers.com – Background screening services and motor vehicle records
- Volunteer driver job description
- Volunteer job description
- Volunteer orientation
- Volunteer policies and agreements
- Volunteer registration form
- Volunteer time sheets
- Volunteer training checklist

Available from the Volunteers Insurance Service Association

- “Insurance basics for nonprofit organizations” from VIS
- Motor Vehicle Acceptability Checklist from VIS
- “Preventer Papers” on injury prevention from VIS
- “Preventer Papers” on vehicle safety from VIS
- “Preventing acts of dishonesty” from VIS
- Sample risk management policy from VIS
- *“To keep good volunteers, minimize these risks”* from VIS
- Volunteer Risk Questionnaire from VIS
- *“What not to say to an angry volunteer”* from VIS

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