

Risk Management for Your Volunteer Program 2015-2016

A VERIFIED VOLUNTEERS RESOURCE



Risk Management for Your Volunteer Program

No organization is immune to all risk. In fact, *all* organizations are exposed to risks on a daily basis. It's how leaders choose to manage those risks that can make or break an organization. Most nonprofit organizations have a lot at stake – physical assets, intangible assets, brand, reputation, grants, people and relationships. With all of that on the line, building a solid volunteer risk management program is in the best interest of all organizations that utilize volunteers in any capacity.

The key to your risk management success is planning and more planning. You must strive to account for all possible risks – even those that are highly unlikely. Recognition and identification forms the foundation of your risk management program. From there, you can effectively evaluate the severity of risks and prioritize them accordingly.

This whitepaper will:

- Introduce you to the four components of a risk management program – plans, processes, policies and practices;
- Explain how you can identify potential threats to your organization and take actions to mitigate or eliminate them using a risk assessment matrix;
- Outline the three essential elements that any volunteer organization's risk management program should incorporate: background screening, training and insurance;
- Help you understand how you should be thinking about your organization's potential liability, and what you might be responsible for should something go wrong in your organization.

What is Risk Management?

Risk management is the process of identifying possible threats to your organization, evaluating the potential financial and punitive impacts, and taking measures to mitigate or eliminate the risks. These risks include anything that could cause harm, injury, or abuse to your organization, its personnel, or the people it serves. In addition to physical harm, damage to your reputation and brand is also at stake. An effective risk management program will prevent and minimize these risks and protect your organization, your constituents and your community.

EMPLOYEES VS. VOLUNTEERS: WHAT'S THE DIFFERENCE?

All organizations are held liable for the actions of their personnel, regardless of whether they are paid or unpaid. Many organizations implement risk management initiatives to cover their paid employees. It's not uncommon for these organizations to overlook their volunteer programs.

At first glance, it may seem that the only difference between employees and volunteers is a paycheck, but in actuality, the differences stretch far beyond a dollar figure. Your volunteers likely have different responsibilities and follow different processes than your paid staff. If you're struggling to think of what these differences are, consider the following questions:

- Are volunteers subject to the same training program as employees?
- Do volunteers ever use their own vehicles as part of their work?
- Are all volunteers on a set schedule or do you have casual volunteers (i.e. those who volunteer at special events)?
- Are volunteers supervised, monitored and given feedback in the same way as employees?

These seemingly minor differences can have a significant impact on the risk that your organization is exposed to. It is important for organizations to account for these differences.

KEY CONTRIBUTORS TO YOUR VOLUNTEER RISK MANAGEMENT PROGRAM

Although every organization is structured differently, a volunteer risk management program should be based on input from anyone in the organization who is responsible for recruiting, training or managing volunteers. Smaller volunteer programs may have one dedicated volunteer manager who can take ownership of the risk management program and handle the majority of the policies, processes and practices on their own. Larger organizations, on the other hand, often require more extensive risk management programs and will need to gather input from several departments, including facilities, training and, most importantly, legal.

Regardless of who develops the program, it must be reviewed and approved by the executive director and the nonprofit board. Key contributors and program managers should review the risk management initiatives on a regular basis to ensure that they are up-to-date and meeting all recommended best practices.

Why is Risk Management Important?

Building a volunteer program takes time, money and effort. After making these significant resource investments, you surely want to protect that program from any threats, whether they're from staff, volunteers, a hazardous environment or various external factors. That's why you need to prioritize risk management for your volunteer program. To put it simply, risk management is critical to protecting your organization.

The practices of recruiting, onboarding, and managing volunteers and volunteer programs are often different than the practices of hiring and managing paid employees. Sometimes that goes unrecognized by managers, the board or executives. The result is that risk management specific to volunteer programs can be overlooked or underestimated, and this crucial mistake can result in serious and costly consequences.



ASSETS

Assets include everything from the pens and paper clips in your desk drawer to your equipment, property, and cash. While you might not lose sleep over missing office supplies, the loss of higher value assets could be extremely detrimental to your organization. What assets does your organization rely on? Do you have vehicles, property, facilities, or equipment that are essential to operation? Do you store confidential information, such as Social Security numbers?

REPUTATION

Unlike physical assets, the value of your organization's reputation is much harder to quantify. Your reputation affects your ability to fundraise and qualify for grants. It is the lifeblood of many organizations and sometimes there is no recovering from reputational damages. You can spend a lifetime earning a good reputation and it only takes one mistake or lapse in judgment for it to come crashing down.

PEOPLE

An organization's people can be its greatest asset. There are many people involved with your volunteer program, including employees, volunteers, contractors, bystanders and the citizens you serve. All of these people can be impacted by negligence. Events that result in physical injuries, fatalities or trauma can result in lawsuits or other serious consequences for your organization.

Without a formal risk management program, you're leaving your volunteer program susceptible to these risks. Every organization carries some degree of risk – it's inevitable. While you can never expect to completely eliminate risks to your organization, there are a number of steps you can take to minimize your exposure.

BENEFITS OF RISK MANAGEMENT

We already touched on some of the negative consequences of failing to have a risk management program in place. Let's also explore some of the positive benefits that a risk management program brings to the table.

By developing and implementing a risk management program, you and your volunteers benefit from a safer workplace. This can help attract and retain volunteers. A risk management program also reduces the likelihood of incidents or injuries, thereby preventing you from getting hit with rising insurance premiums. When you communicate the four vital elements of risk management – your plans, policies, processes and practices – to your volunteers, you also benefit from more educated personnel. A clear and concise risk management program equips your volunteers with the knowledge needed to recognize risk in their day-to-day activities and take the appropriate actions to help mitigate it.

Four Key Components of Risk Management

There are four key components that are essential to any successful risk management program – plans, policies, processes and practices. Spending time developing, implementing, managing and continually reviewing these four elements will help to reduce or eliminate risks within your volunteer program.

1 CREATE A PLAN

Think of a risk management plan as a roadmap connecting each of your mitigating factors, measures and initiatives. A risk management plan incorporates policies, processes and practices for each potential risk associated with your volunteer program. For example, your plan should identify any workplace safety hazards and identify the ways that you intend to prevent injury.

2 IMPLEMENT POLICIES

Your risk management policies are formal documentation of how you intend to reduce or eliminate risks. Your policies act as a set of rules to ensure consistent application of your risk mitigation processes and practices. For example, some volunteers may require more frequent screening based on the nature of their work. You should therefore have a written policy describing the frequency and method by which rescreening will occur. This eliminates the potential for confusion among employees and volunteers and can act as your first line of defense in the event of litigation.

3 DEVELOP PROCESSES

Your risk management processes are the frontline actions and steps that your volunteer management team will take. These processes are based on best practices. Sticking with the screening example, and extending it through to training, your process should document the steps to screen, train and retrain volunteers after they've been recruited. Your volunteer management process may look something like the below:

4 REVIEW PRACTICES

Identify best practices to follow for each risk and incorporate them as best as possible to improve the quality and effectiveness of your risk management program. In the case of screening best practices, rescreening volunteers at a given interval (perhaps annually) would be considered a best practice. Other examples may include: increasing supervision for volunteers working with vulnerable populations, ensuring that every volunteer completes an application form, or forming and encouraging the role of a health and safety committee to identify workplace hazards and write safety procedures.



When done correctly, your risk management plans, policies, processes and practices combine to form an effective risk management program.

RISK MANAGEMENT Q&A

Question: I already have an employee risk management program. Doesn't that already cover my volunteers?

Answer: Your employee risk management program is a good starting point, but it probably doesn't take into consideration the subtle (and not-so-subtle) differences between paid staff and volunteers. Your process for recruiting volunteers is likely very different, as is your application form and your training process. Your insurance requirements may also be different. You can certainly use your employee risk management program as a guide or starting point, but your volunteer program should have separate risk management plans, policies, processes and practices.

The Essential Elements for Your Risk Management Program

Every volunteer program is unique so there is no one-size-fits-all approach to developing a risk management program. There are, however, elements of risk management that are relevant to nearly every organization: background screening, training and insurance.

BACKGROUND SCREENING

Criminal record checks are commonly used to screen prospective employees and volunteers before they are brought onboard. This practice is designed to identify individuals who pose a risk to the organization. When criminal history is uncovered, volunteer managers must decide whether it is relevant to the position or not, and if they are willing to accept the risk that recruiting the candidate may pose.

Many organizations have adopted background screening programs for their new employees and volunteers. But, so often, they do not focus enough on quality. All screens are not created equal and organizations must be confident in the accuracy of the information they are getting.

What's more, organizations oftentimes don't place equal importance on rescreening. Monitoring your employees and volunteer pool for new convictions helps to maintain a safe and risk-free environment.

For example, if you are a nonprofit organization that pairs volunteers with vulnerable populations, wouldn't you want to know if one of your volunteers was charged with a violent crime or sex offense? Would a crime of that nature affect their ability to continue working with your community? Rescreening your volunteers at pre-determined intervals, such as monthly, quarterly or annually may prevent you from retaining a volunteer who is more likely to put your organization at risk.

BACKGROUND SCREENING CHECKLIST

- Develop a volunteer screening policy or adapt your existing screening policy to account for volunteers. Your screening policy should include:
 - Which volunteers need to be screened and to what extent – for example, you do not need to obtain a motor vehicle record for a volunteer who will never drive on behalf of your organization.
 - How decisions will be made based on the results – for example, you should define the types of convictions that should prevent a volunteer from joining your organization. When criminal history or other negative information is revealed through a background check, the results should be evaluated on a case-by-case basis and the prospective volunteer should be allowed the opportunity to explain additional and relevant details.
 - How often your organization intends to perform background checks on volunteers. Rescreening is important for all organizations, but the frequency that rescreens are performed will vary.
- Create alternate versions of screening documents (i.e. disclosure, authorization, adverse action notices, etc.) so that they reflect the nature of the volunteer position.
- Partner with a screening provider with experience in the nonprofit and volunteer screening industry. Make sure this screening partner provides high quality background screens. Verified Volunteers is a screening provider dedicated to the nonprofit space and provides a platform that is fully online and allows for flexible payment options (volunteer paid, organization paid, split payment or optional volunteer contribution).
- Regularly review your background screening policy with your legal counsel and keep it up-to-date.

The Essential Elements for Your Risk Management Program

TRAINING

Providing adequate training for your volunteers and employees who work with volunteers is also a critical component of your risk management program. In addition to training volunteers on how to perform their responsibilities, you should also educate them on your organization's policies. The training process should not only teach volunteers how to do things the right way, but should also prepare them for when things don't go according to plan. For example, what to do in the event of an accident in which people are injured. Just like paid staff members, volunteers should be held accountable for following procedures.

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TRAINING CHECKLIST

- ☑ Formalize your training program into a consistent and organized process.
- ☑ Incorporate safety training as part of new volunteer orientation. Safety training should include:
 - Your organization's safety policies and rules
 - Emergency procedures including evacuation plans, first aid resources and fire exits
 - A tour of the workplace to identify any potential hazards
 - Hazard identification at remote locations where volunteers work
 - Hazardous materials training and the location of product information
 - Any job-related safety training (i.e. proper lifting technique, equipment use, ergonomics, etc.)
 - Vehicle safety training, if applicable
 - The process for reporting a work-related injury or illness
 - Contact information for your Health and Safety Committee
- ☑ Create safety awareness throughout your organization and reiterate its importance to supervisors and managers. For example, post signs demonstrating proper lifting technique in storage rooms, or send reminders via newsletters or e-mails to volunteers and volunteer managers.
- ☑ Implement a schedule for retraining and safety refreshers. Many organizations opt for annual refreshers, but you can also incorporate safety training initiatives into daily or weekly team meetings.

The Essential Elements for Your Risk Management Program

INSURANCE

Every organization should have a general liability policy. It provides protection in the event that your organization is sued for bodily injury, personal injury or property damage.

You should insure your volunteers separately from the organization so that you do not unnecessarily share your organization's limits of liability. Depending on your policies and common exclusions they might contain, insuring volunteers separately also can fill important gaps in coverage. For example, they can help to protect a volunteer who is sued by another volunteer or by an employee. Providing your volunteer drivers with excess automobile liability coverage also is advisable, because the standard business automobile policies protect volunteer drivers only if they are "transporting clients or other persons."

Board members are another group that should be covered separately. Directors and officers (D&O) liability insurance protects you in the event that you're faced with a lawsuit due to any of a number of "wrongful acts." D&O policies will respond to a suit that names employees, the board, or both. It is advisable to have a separate limit of liability just for board members. The separate limit can be obtained at a nominal cost.

You should also require that any contractors provide you with evidence of their own coverage for general liability and workers' compensation. Have your organization named as an "additional insured" on your contractors' policies.

Most importantly, meet with an insurance broker that is experienced in dealing with these additional policies. For nonprofit organizations or those that rely on the support of volunteers, opt for an insurance company that specializes in volunteers, such as CIMA Volunteers Insurance (www.cimaworld.com).

INSURANCE CHECKLIST

- Evaluate your risks and determine which ones can be mitigated through insurance.
- Meet with your insurance broker or contact CIMA Volunteers Insurance to determine which policies and coverage are needed.
 - Obtain separate insurance for volunteers
 - Add directors and officers liability insurance if you do not already have it
 - Ensure adequate coverage for property and vehicles
- Develop a procedure for verifying that contractors have their own general liability insurance and workers' compensation.
- Have your organization added to your contractors' policies as an "additional insured."

You should insure your volunteers separately from the organization so that you do not unnecessarily share your organization's limits of liability.

Where Do You Start?

Risk management programs do not have to be complex. In fact, when you really look at what's involved in creating an effective program, it comes down to three simple steps:

1
**IDENTIFY
THE RISK**

2
**EVALUATE
THE RISK**

3
**REDUCE
THE RISK**

Let's explore each step in more depth and get you started on developing and implementing a risk management program that best suits your organization.

Step 1: Identify The Risk

The first step is to identify the foreseeable risks that involve your volunteers. This also happens to be the most important step as it forms the foundation of your entire risk management plan. You need to explore all possible scenarios in which a volunteer may be injured or cause injury to someone else. You also need to consider situations where volunteers may damage property or have access to valuable assets. The more risks you identify and plan for, the stronger and more cohesive your risk management program will be.



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Let's look at some examples:

- Volunteer suffers a minor injury
- Volunteer suffers a major injury
- Volunteer commits theft or fraud
- Volunteer assaults or abuses someone
- Volunteer causes a motor vehicle accident
- Organization fails to provide adequate training
- Organization does not meet health and safety requirements
- Organization does not take appropriate action in the event of an incident

Your list of risks will likely be longer and more detailed than this example. You can take your list further by identifying the actual minor and major injuries, such as slips, falls, cuts or back injuries. You should also identify specific safety hazards caused by equipment or the nature of the volunteer work.

Step 2: Evaluate the Risk

Once you've developed an exhaustive list of all expected and unexpected risks involving your volunteers, you will need to rank them based on probability and severity. This process will help you evaluate and prioritize your risks so that you can focus your efforts where it matters most.

The most widely used method for evaluating risks is to create a risk management matrix. You can use this matrix to categorize each risk and assign a grade or rating.

Probability Grade

- A - Almost Certain
- B - Likely
- C - Possible
- D - Unlikely
- E - Remote

Severity Grade

- 1 - Insignificant
- 2 - Minor
- 3 - Moderate
- 4 - Major
- 5 - Catastrophic

RISK ASSESSMENT MATRIX		SEVERITY				
		1 INSIGNIFICANT	2 MINOR	3 MODERATE	4 MAJOR	5 CATASTROPHIC
PROBABILITY	A - ALMOST CERTAIN	LOW	HIGH	EXTREME	EXTREME	EXTREME
	B - LIKELY	LOW	HIGH	HIGH	EXTREME	EXTREME
	C - POSSIBLE	LOW	MODERATE	HIGH	EXTREME	EXTREME
	D - UNLIKELY	LOW	LOW	MODERATE	HIGH	EXTREME
	E - REMOTE	LOW	LOW	MODERATE	HIGH	HIGH

Based on the risks identified in the previous example, the risk evaluation may look like this:

RISK	PROBABILITY	SEVERITY	ASSESSED RISK
Volunteer suffers a minor injury	A	1	LOW
Volunteer suffers a major injury	D	4	HIGH
Volunteer commits theft or fraud	D	3	MODERATE
Volunteer assaults or abuses someone	E	5	HIGH
Volunteer causes a motor vehicle accident	C	4	EXTREME
Organization fails to provide adequate training	C	2	MODERATE
Organization does not meet health and safety requirements	C	3	HIGH
Organization doesn't take appropriate action in the event of an incident	C	4	EXTREME

How you grade each risk will be unique to your organization. Some organizations will be more susceptible to volunteer injuries, while others may be more likely to sustain motor vehicle accidents.

Step 3: Reduce the Risk

After identifying and evaluating your risks, you can determine the actions and measures you need to take in order to mitigate them. This is where those four key components come into play: plans, policies, processes and practices. Your risk reduction initiatives may include:

- Re-evaluating your insurance policy
- Developing new internal policies
- Upgrading your facility or equipment
- Ensuring you are receiving high quality background screening from your provider
- Implementing recurrent background checks for all volunteers
- Retraining volunteers or implementing a retraining schedule
- Amending processes to account for risk
- Creating practices to deal with risk-related incidents

Every item on your list should have one or more specific mitigation actions or measure to prevent, reduce or eliminate the risk.

A long list of risks to mitigate can seem like a daunting task, which is why you should prioritize them based on your previous evaluation. Start with the extreme risks and work your way down to the low and moderate risks. There are scenarios where you might decide not to take any action because the level of risk is acceptable. These scenarios would likely be both extremely rare and the consequences would be insignificant.

HERE ARE SOME EXAMPLES OF COMMON RISKS AND HOW YOU CAN REDUCE THEM:

- **Slips, Trips and Falls:** Keeping the facility tidy and free of clutter is a good start, but you should also consider other hazards in the environment such as lighting, loose carpeting, slippery floors and storage. Provide wet floor signs and step stools to further reduce this risk.
- **Back Injuries:** Provide the necessary training, equipment and reminders to volunteers to prevent back injuries. They should be trained on proper lifting technique and have access to the appropriate equipment if lifting heavy items is common.
- **Motor Vehicle Accident:** Even if the volunteer is driving their personal vehicle, your organization could still be liable if they cause an accident while volunteering. Contact your insurance broker to determine what type and amount of insurance you should have. "Non-owned and hired" automobile coverage often is appropriate in order to protect the organization. Excess automobile liability coverage is available for the organization in order to protect the volunteers themselves.
- **Theft:** Conduct a thorough criminal record check before you onboard the volunteer and follow up with subsequent checks throughout the course of their volunteering. You can complement your criminal record check with reference checks to identify any questionable past behavior.

Know the Law: What Are You on the Hook For?

As an organization, you must be aware of what you are liable for. You are responsible for the actions of your volunteers. Even if the injury or damage is caused solely by a volunteer's indiscretion, your organization could still be on the hook in the eyes of the law.

AUTOMOBILE LIABILITY

If your volunteers will be driving, you should obtain a copy of their motor vehicle records. This search will verify that they have a valid driver's license and will reveal any serious violations that should prevent them from driving on behalf of your organization.

Motor vehicle accidents can have very serious consequences and can be fatal. By checking your volunteers' driving histories – both during the recruitment process and then on a regular basis – you can prove that you conducted your due diligence if you are ever sued for the actions of a volunteer.

DISHONESTY

Volunteers may also have access to confidential information or sensitive data that may provide an opportunity for embezzlement, fraud or theft. You can take measures to detect embezzlement, such as internal auditing, segregating duties and cross-training other volunteers. You can also obtain a fidelity bond for all volunteers with access to financial information, which provides coverage for dishonesty.

Screening also plays an important role in preventing internal fraud and theft. Criminal record checks expose any relevant convictions, while credit checks attest to the financial responsibility of a volunteer. It is important to only conduct credit checks when the volunteer will have direct access to assets or have fiduciary responsibility.

NEGLIGENCE

Volunteers often work with vulnerable populations such as children, the elderly and those with chronic illness or disabilities. In these cases, organizations should conduct criminal record checks to identify any past convictions that would make their volunteers dangerous to vulnerable constituents. Convictions involving sexual or physical abuse, assault, theft or other violent crimes should be investigated.

You should also have policies to prevent harm to your vulnerable communities, employees and volunteers. Many nonprofit organizations that serve children, such as sports associations, have implemented a "2 deep rule" which requires the presence of a second adult around vulnerable clients at all times to prevent abuse. Other common policies restrict the use of cameras or mobile devices, specifically in changing rooms.



What Should Your Policies Look Like?

Every organization should have a formal risk management statement to document the purpose and objectives of identifying, evaluating and reducing risks. This statement should be included in your employee manual, volunteer orientation materials and any other publications that describe your policies.

The following is a sample risk management statement prepared by CIMA Volunteers Insurance, which you may customize and use for your organization. We recommend you seek legal counsel when adapting for your organization.

(Name of organization) is subject to certain risks that affect our ability to operate, serve our clients and protect assets. These include risks to employees and volunteers, liability to others and risks to property.

Controlling these risks through a formal program is necessary for the well-being of the organization and everyone in it. The jobs and services the organization provides, the safety of the workplace and other benefits all depend to an extent on our ability to control risks.

Management has the ultimate responsibility to control risks. Control includes making decisions regarding which risks are acceptable and how to address those that are not. Those decisions can be made only with the participation of all personnel, because each of us understands the risks of his or her own tasks better than anyone else in the organization. Each is responsible for reporting any unsafe conditions they see. Also, each is encouraged to suggest ways in which we can operate more safely. We are committed to the careful consideration of everyone's suggestions, and to taking appropriate action to address risks.

Accidents and other situations involving loss or near-loss will be investigated as part of the effort to manage risks.

Every employee's and volunteer's performance will be evaluated, in part, according to how he or she complies with this policy.

WANT TO LEARN MORE?

Attend a free webinar, [Risk Management for Your Volunteer Program: Get a Plan](#). Take a deeper dive into volunteer program risk management plans, policies, practices and processes.

Find out more about how [volunteer screening](#) fits into your risk management program. Get information on [why you need to screen](#), and the potential costs of a ["bad volunteer."](#)

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About Verified Volunteers

Verified Volunteers is the only background check platform tailored to the specific needs of the service sector and the first online community to mobilize repeat, vetted volunteers. Our Volunteer Fast-Pass propels nonprofit organizations by empowering volunteers to take greater ownership of costly, time-consuming screening processes. Verified Volunteers is backed by SterlingBackcheck, one of the world's largest background screening companies, and partnered with Points of Light, the world's largest organization dedicated to volunteer service.

Find out more at:

www.verifiedvolunteers.com

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