Church & Casualty
INSURANCE AGENCY

Risk Management HANDBOOK

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Homelessness & Safety

Individuals living on the streets encompass a diverse spectrum of backgrounds and circumstances. Some receive Social Security, military retiree pay, or disability benefits, while others struggle with unemployment or lack income. For many, homelessness has been a lifelong reality, with some experiencing it since childhood. Mental illness, substance abuse, and past incarceration further complicate their situations. However, the common thread among them is the inability to escape the streets due to bad credit, limited resources, and the soaring cost of living. Understanding these varied challenges is crucial in addressing the pervasive issue of homelessness. These tips are aimed at promoting positive interactions with those experiencing homelessness and fostering a more compassionate community.

Practice empathy and compassion

Keep in mind that each person you encounter is facing their own unique struggles and challenges. Offer a listening ear, a kind word, or a small act of kindness whenever possible. By treating others with dignity and respect, we can create a community of support and understanding for our neighbors experiencing homelessness.

Stand back

Getting too close makes some people nervous and afraid, so keep a short distance.

Tell them the rules

If they are doing something you do not want them to do, tell them politely and explain why.

Be consistent

When interacting with repeat visitors, reiterate the same message; don't change your message due to frustration.

Don't assume

If damage to your property occurs, don't assume it is the homeless - remember crime is also committed by the housed community.

Use names

When you approach someone, ask them their name and then use it while talking with them.

Set firm boundaries

If you find someone sleeping on your property, gently tap their foot with your foot, and politely ask them to leave when they wake up. You can address them as "sir" or "ma'am" if you don't know their name. Explain that camping is not permitted at your property.

Make sure your team is on the same page

Talk with other members of your church/organization about the message you want to convey to the homeless on your property.

Utilize local authorities

If you are afraid, don't approach. Find another person to help and if there is a concern for your safety, please contact your local authorities.

Get assistance

If someone is having a mental health crisis, get assistance from someone who can handle these types of emergencies.

Click here to view our podcast episode on Homelessness & Safety

Brenda Lussier serves as the Treasurer of Trinity Lutheran Church, co-manages the church's meal program, and helps coordinate the Showers program. Brenda is a full-time student at Pacific Lutheran Theological Seminary and is pursuing candidacy for Ministry of Word and Service within the Lutheran Church. She spent 34 years in government service, including 20 years in the Superior Courts in Riverside and San Diego.

Finance & Accounting

Managing financial risk for houses of worship involves many of the same principles as you might see for other organizations, but with some unique considerations due to nonprofit status and specific operational structures. Here are some accounting areas you should be reviewing regularly:

Internal Controls

Internal controls are crucial for houses of worship to ensure transparency, accountability, and the proper use of funds. It is also key in preventing fraud and financial mismanagement, and in keeping the organization in compliance with legal and regulatory standards. A regular review of internal controls (including, but not limited to, segregation of duties) should be a key part of your organization's financial processes.

Financial Policies

By implementing and adhering to robust financial policies, houses of worship can manage their finances responsibly, uphold their integrity, and focus on their spiritual and community missions without financial distractions or crises. Recommended policies span from detailed procedures for handling the offering and paying obligations, to investment policies that guide the organization in how they manage their resources.

Compliance

Compliance goes beyond your tax-exempt status, and organizations must be careful to ensure they adhere to the tax regulations applicable to their organization. This includes tax-exempt status requirements (both state and federal), for example, the requirement for a 990 filing or filing your statement of information. It also includes compliance with all payroll tax requirements, annual 1099 reporting requirements, and contribution reporting and acknowledgment rules. Knowing your full scope of tax regulations is key to staying compliant as an organization.

Budgeting & Planning

An annual budgeting process should be a regular part of a non-profit organization's financial cycle. Budgeting and financial planning enable the organization to prioritize spending in line with its strategic goals and needs. It ensures that funds are directed toward the most impactful areas of ministry. A well-managed budget helps an organization navigate financial challenges and unexpected expenses without compromising its operations or mission.

Internal and External Reporting

Timely, regular financial reporting will ensure transparency, accountability, and informed decision-making. Common internal reports include Balance Sheet, Income Statement, Cash Flow Statement, Budget vs. Actual, and Departmental reports. Common external reports include donor reports, regulatory filings, and audited financial reports.

Training & Education

Financial regulations and best practices are constantly evolving. Ongoing training ensures that staff and volunteers stay updated with current laws and regulations, reducing the risk of non-compliance and ensuring accountability.

Co-Founder, and Partner at Mesa Network, Lindy assists organizations in the crucial area of finance and accounting. With over 20 years of experience in her field, Lindy brings fresh perspective and efficiencies to the finance and accounting function.

Customers receive free email access for finance related questions

Submit questions via email to: AskFinance@ccia.com

MESA NETWORK

www.mesanetwork.com

Maintaining your Property

Churches and religious organizations need to recognize that their buildings and grounds can be both a tremendous resource for their ministry and a source of exceptional liability (both legal and financial). Many of our church campuses were developed in the post-war buildout of Southern California, so the buildings date from the 1950's – 1980's. Even newer buildings require constant attention and maintenance to perform at their best. Here are some of our top tips for making sure your facilities are not going to negatively impact you.

Designate someone to walk the property regularly, specifically to look for maintenance issues and hazards

Make sure you look in the hidden places; just because a space is rarely used or is a storage or utility space doesn't mean that there will not be maintenance issues or warning signs of emergent conditions. Have a process for identifying, reporting, and following up on maintenance and repairs.

Beware of "Ivegotaguy syndrome"

Everyone is on a budget, and everyone seems to know someone who they think can do a repair or maintenance project cheaper. Only allow qualified vendors with the proper licenses, insurance, and training to work on your property. This is especially true for roofs, electrical systems, heating/ventilating/AC (HVAC) systems, and plumbing, but it really applies to everything. You get what you pay for, and you don't want to pay again to have someone qualified repair what someone else fixed.

Update all insurance replacement costs

Everything costs 2 – 2.5x more than it did 5 years ago.

Temporary never is

Just because someone says, 'they are only blocking the doorway until after the event' or that 'this is just a temporary quick fix until they can get the permanent fix done', don't believe them. Out of sight is out of mind and if you assume it has been corrected, it probably hasn't.

Water intrusion is the biggest source of loss in all buildings

Have your roofs checked and maintained annually. Don't wait until you see a leak to do maintenance.

Don't defer maintenance

Insurance carriers will not pay out on a claim that results from deferred maintenance. It's important to regularly maintain your buildings.

Update all maintenance and replacement budgets

Same as insurance replacement costs - everything costs more than it did 5 years ago and budgets need to be recalculated.

Click here to view our Property Maintenance podcast episode

Matthew Boomhower is the founder and president of Southern Cross Property Consultants, as well as a licensed architect and attorney in the State of California. Southern Cross is a construction management firm with offices in San Diego and Orange County. They specialize in project management and facilities consulting; including maintaining existing properties, overseeing renovations, and managing new construction.

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SOUTHERN CROSS PROPERTY CONSULTANTS
CONSTRUCTION MANAGEMENT, ARCHITECTURE AND FACILITIES CONSULTING

Human Resources

HR risk management is the process of identifying, assessing, and mitigating risks related to an organization's employees. These risks can impact the organization's ability to achieve its objectives and can stem from various sources, including legal compliance, employee relations, talent management, workplace safety, and more. Houses of Worship should access HR risks in the following categories:

Compliance

Risks related to non-compliance with labor laws, regulations and employment standards.

- Labor Laws
- Employee Handbook
- Documentation

Operational

Risks associated with the daily operations of the HR function such as recruiting training and payroll.

- Recruiting & Hiring
  - Job Descriptions
  - Interview Process
  - Background Checks
- Employee Onboarding
  - Orientation Programs
  - Documentation
  - Training
- Termination and Offboarding
  - Termination Procedures
  - Exit Interviews
  - Final Payments

Strategic

·Risks that affect the strategic goals of the organization, such as talent management and succession planning.

- Performance Management
- Training & Development

Financial

Risks related to compensation, benefits and potential financial liabilities from legal actions.

- Regular Compensation Review
- Benefits Administration
- Compliance with wage and hour laws

Reputational

Risks that could damage the organization's reputation, including workplace culture and employee misconduct.

- Conflict resolution
- Employee feedback
- Employee engagement
- Grievance policies

Workplace Safety

Risks associated with maintaining a safe and healthy work environment.

- Safety Policies
- Incident Reporting

Co-Founder, and Partner at Mesa Network, Carla is a well-versed human resources professional with over 25 years of experience. With a BS in Organizational Leadership and a SPHR certification, she has been an integral part of leadership teams in both for-profit and nonprofit organizations, and brings practical and proven experience in a full spectrum of HR disciplines.

Customers receive free email access for general HR related questions.

Submit questions via email to: AskHR@ccia.com

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www.mesanetwork.com/ccia

Abuse Prevention

One in four girls and one in six boys experience sexual abuse at some point in childhood, according to the National Center for PTSD. Ninety-one percent of child sexual abuse is perpetrated by someone the child or the child's family knows. Given the thousands of children sexually abused each year, abuse prevention is of paramount importance. Here are ten areas your organization should be implementing regularly to prevent child sexual abuse.

Provide Training

Awareness training is essential in reducing the risk of sexual abuse. Everyone serving children in your organization should participate in and complete awareness training every year. Your training program should include elements that identify predatory behaviors, such as grooming of victims, individuals, and gatekeepers.

Perform Criminal Background Checks

Running background checks on potential employees and volunteers has now become a standard practice. It is crucial to customize these checks based on roles, especially for those working with children in less-structured or less closely supervised settings. Initiate background screenings for all staff and volunteers initially to detect any potential risks, and periodically conduct follow-up checks. Tailor the depth of the background check for each team member or volunteer based on their level of interaction with children.

Maintain Appropriate Supervision Levels with Children

Maintain adequate worker-to-child ratios, which may vary depending on the age group of the children being supervised. When working with minors, have at least two workers present to avoid incidents of isolation.

Establish Policies and Procedures

Effective policies and procedures serve as a deterrent and make your organization a less attractive target for those with bad intentions. Showing new hire candidates or potential volunteers your organization's policies and procedures reinforces your recognition and awareness of the risk, as well as the level of accountability and consequences. Written policies must present clear guidelines concerning appropriate touch, talk, boundaries, social media interaction, bathroom use, one-to-one interaction, overnight stays, and reporting requirements.

Screen Workers and Volunteers

Criminal background checks are not a standalone solution for screening those who will be working with children. In addition to background checks, consider utilizing a written application form, in-person interviews and reference checks where the individual has worked or volunteered with minors in the past. For volunteers, consider a waiting period during which the volunteer must be involved in the organization for six months before being allowed to work with minors.

Supervise Staff

Establish appropriate supervision of the staff and volunteers working with minors. Have a designated leader on-site available to address any staff issues or questions and consider utilizing a roaming supervisor who can check on worker supervision in childcare settings.

Abuse Prevention

Establish Digital and Online Behavior Guidelines

Digital and online interactions with minors, including texting, photo sharing, and social media, are high risk, particularly when parents are not aware of the communication. Establish digital and online behavior guidelines to clearly set out what is and is not appropriate digital interaction between workers and minors.

Establish an Abuse Response Process

Take allegations of abuse seriously and respond to them appropriately. Ensure that the steps taken after receiving a complaint or accusation prioritize the protection of the victim and other young individuals within the organization.

Understand Mandatory Reporting Obligations

Stay up-to-date on the sexual abuse laws and mandatory reporting requirements of your state. Empower employees and volunteers to report abuse.

Provide Monitoring and Oversight of your Sexual Abuse Prevention Program

Establishing a sexual abuse prevention program is an ongoing responsibility. Regularly review policies and procedures. Monitor training to confirm continuous completion. Update the program to align with current standards, meet organizational requirements, and safeguard youth.

MinistrySafe provides a "one-stop-shop" for training and resources

Use code CCIA at checkout to receive 50% off the first year of MinistrySafe's annual membership.

Partners in the law firm of Love & Norris, Gregory and Kimberlee co-founded MinistrySafe to provide a broad spectrum of resources to equip ministries in the prevention of child sexual abuse. CCIA recommends MinistrySafe and Abuse Prevention Systems® (APS) to our customers, a national leader in child abuse prevention, to offer houses of worship training and resources to proactively prevent and reduce the risk of sexual abuse.

www.ministrysafe.com/ccia
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MinistrySafe®

Safety & Security

In today's world, the need to protect your people and your organization from harm is vital. The following are the top tips you should take to defend your people and property against armed intruders, violent crime, theft or vandalism.

Prepare

Communicate to your entire organization any processes that are in place in the event of a security/safety threat. Provide ongoing information related to organizational security and hold training events periodically throughout the year.

Have Safety Plans in Place

Emergency Response Plans, procedures, and training are essential components of responsible stewardship for houses of worship. Having plans in place and practicing them helps to protect lives, property, and the continuity of operations while also fulfilling a broader mission of serving and supporting the community during times of need. Safety Plans for California and Nevada Houses of Worship are now available for purchase on our website.

Be Aware of All Potential Threats

Take all threats seriously. Be observant of things such as vandalism and loitering that may indicate the presence of a greater threat. Be aware of issues both inside and outside the organization that may lead to threats, such as disgruntled employees or community unrest.

Visible Security Presence

Put security systems in place and make sure personnel are visible. Conduct security sweeps and observations before, during, and after services and activities.

Engage Local Law Enforcement

Ask local law enforcement to participate in security and violence prevention planning with your organization. Provide law enforcement and first responders with facility maps, copies of your plans, and what doors should be accessed in case of an emergency.

Have a Training Plan

Provide emergency/active response training to staff, volunteers, and members. Regularly conduct drills to prepare for emergencies, with all individuals present at the facility required to participate on the scheduled day. Inform all employees and local authorities of drill schedules and invite local authorities to participate.

Control Access and Provide Easy Exit

Restrict and supervise entry points during active hours. Provide keys only to designated staff, members, and volunteers, and oversee their usage closely. Clearly mark all exits and ensure that pathways to exits remain clear of any obstructions.

Exterior Lighting and Maintenance

Keep grounds and entrances well-lit. Regularly inspect, maintain, and repair all lighting.

Have a Communication System

Make sure security staff can easily and readily communicate with each other. Regular communication drills will familiarize security personnel with how devices work and what messaging should be used.

Click here to view State-Specific Safety Response Plans for Houses of Worship

Jeff brings 32 years of professional policing including top secret clearance with extensive experience in leadership, management, and supervisory roles ranging from line officer to senior level. He specializes in security grants, house of worship security, active shooter response, and site assessments.

Customers receive free email access for questions related to safety & security.

Submit questions via email to: AskSafety@ccia.com

Employment Law

Litigation of employment disputes continues to grow exponentially, and religious organizations are not exempt from facing costly legal claims. While it is impossible to fully eliminate all risks of litigation, there are a few key areas that will help minimize the potential exposure when (not if) you receive a letter from a lawyer making demands on behalf of a former or current employee.

Maintain an up-to-date & compliant Employee Handbook

An Employee Handbook is your first line of defense in any type of employment litigation. Even if you only have a few employees, there are certain employment policies that are required to be communicated to employees in writing (such as policies against harassment and discrimination, paid sick leave, protected leave rights, etc.) and you need to be able to prove you had the required policies. In addition, it is crucial that you spell out in detail policies on wage and hour compliance, such as timekeeping, overtime, and meal and rest periods. If you don't have a policy, the presumption will be that the law has not been followed, particularly with meal and rest periods. You should review and update your handbook each year, and make sure you maintain the signed acknowledgements from each employee that they received a copy.

Consider offering severance pay in return for a release of all claims

The only surefire way to avoid litigation after a termination is to get a separation agreement and release signed by the employee that has the correct legal language releasing all potential claims in employment. In order for the release to be effective, there has to be consideration paid to the employee in the form of severance pay. There is no set formula required for the amount of severance to be offered. The payment of severance without a signed release agreement does not provide any protection, and likewise, a release without adequate consideration is unenforceable. If you have a properly prepared release with severance signed by the employee, however, any subsequent employment lawsuit filed by the employee would be subject to dismissal.

Document discipline for poor performance or violations of company policy

In employment cases, if it's not in writing, it is very difficult to prove that employees were warned about their performance deficiencies. Many managers and supervisors try to avoid directly addressing substandard performance, so they have a quick verbal discussion that is not documented, or they send an email to the employee which is not formal disciplinary action. It does not do the employee any favors to avoid holding them accountable, as they will continue their behavior until they understand there are real consequences. Any performance discussion should be memorialized in some fashion, and if verbal discussions don't get the desired result, a written warning should be issued, with a final written warning prior to termination.

Conduct a periodic wage and hour audit

Employment laws are constantly changing, particularly in the area of wage and hour compliance. For example, it has long been considered legal in California to use rounding when calculating hours worked (for example, rounding up or down by six minutes), but a court decision last year found rounding impermissible, creating large potential liability for unpaid hours worked. It is important to periodically review your timekeeping and pay policies and procedures to make sure there are no practices that could result in liability.

Erick Becker leads the labor and employment practice group at Cummins & White. With 30 years of experience in labor and employee relations, his expertise centers on helping employers maintain compliance with the myriad laws and regulations governing employment.

Erick helps customers understand federal and California labor laws and how to comply.

For employment and labor law questions, email Erick at AskHR@ccia.com

Legal

Board participation and engagement is a primary indicator of success for any house of worship. A strong board provides crucial leadership and vision to the officers of the organization who are equipped to carry out that vision. This list of best practices provides clarity in the very important role boards play in governance of tax-exempt organizations like churches and other religious organizations.

What is a Board of Directors?

- Guides tax-exempt organizations into fulfillment of their mission and purpose.
- Responsible for assuring the organization is properly managed.
- Oversees the house of worship's management to ensure that all the activities are moving the church toward fulfilling its mission.
- Decides how the organization spends its money, what programs, products, and services it ought to offer, as well as, deciding who is best qualified to serve in senior management positions.
- Sets policies and provides guidance to the CEO and senior management.

Duties of Directors:

- Duty to Act in Good Faith: Directors are obligated to act honestly both in purpose and in deed, and act consistently with the church's goals.
- Duty of Care: Directors must use good judgment and take reasonable precautions in all their decision-making including keeping adequate financial and corporate records such as meeting minutes, and ensuring that the church is running correctly and in accordance with its Bylaws.
- Duty of Loyalty: the responsibility to attend Board meetings and actively participate in them.

Governance

Make sure the mission statement is clearly articulated and guides the organization's work. Second, make sure that the church's documents are in order. Finally, the IRS expects directors to be informed and engaged in overseeing the house of worship.

Liabilities & Protections

Litigation involving Directors is rare, but some areas where Directors can get into trouble are breaches of duties, engaging in conflict-of-interest transactions, failure to pay payroll taxes for employees, discrimination claims, failure to observe proper child protection protocol, and failure to observe corporate formalities. The church can allow for indemnification in the bylaws that limits or may eliminate the personal liability a Director may face. They can also purchase Directors and Officers' insurance to cover claims against a Director made in the discharge of their duties.

Fundraising

While there is no law stating that directors have to give money to the organization, but their personal financial support of the house of worship's work speaks volumes to potential donors. A Board that is personally invested and supportive of the work of the organization gives donors confidence that the house of worship is serious about fulfilling the mission.

Click here to view the full Guidebook for Board of Directors

Myron S. Steeves has an extensive background in both the legal field and the nonprofit arena. Myron has served as a Christian missionary to the Middle East and is a graduate of Biola University and Georgetown University Law Center. Myron serves nonprofit organizations, religious organizations, and churches through his practice by offering sound legal guidance from a faith-based perspective.

Customer receive free email access for general legal information and guidance.

For legal questions, email Myron at AskLegal@ccia.com

Church & Casualty
INSURANCE AGENCY

ABOUT US

We are specialists in property & casualty insurance and risk management solutions for houses of worship and nonprofit organizations.

Church & Casualty customers get free email access to our robust team of industry leaders, including HR & Employment Law professionals, Legal Information & Guidance, Finance & Accounting, and Security Consulting - all specializing in religious and nonprofit organizations.

Customers also get free and discounted value-added services to help manage risk further including child abuse awareness training, the Mineral online HR platform, safety response plans, safety resources and recommendations, background check services, and more.

We host several webinars and quarterly podcast episodes throughout the year to help educate and inform customers about relevant topics including changes to state and federal laws, HR compliance, various religious risk management topics, maintaining your property, and safety and security.

Call Us: (949) 852-8558

Email Us: hello@ccia.com