

Pillars of Ministry Safety:

How to Determine if Your Ministry Is Safe

by Bob Lilly

IT COULD HAPPEN TO YOU

The board directed you to reduce one staff position due to budget concerns. After considerable prayer and thought you decided to let one of the administrative assistants go the next week. The meeting went well, a few tears were shed, and you promised to help the person look for a new job. You even said you would write a letter of recommendation. Life goes on. Your ministry continues, until a few months later you receive a letter from an attorney, stating that the terminated employee is now suing the church for wrongful termination under the age discrimination act. You cannot understand it or even believe it. Christians do not take other Christians to court. Your attorney asked for a copy of the employee's original application, employment contract, and notes of the termination meeting, or annual reviews. You look, but you do not have anything.

You now must defend an action with no evidence. You will spend the next six to twelve months going through depositions, meetings, and stress. You may even have to pay monetary damages; at the very least you will use ministry resources on your own legal fees. Even if you win you lose. It will take months to recover.

WHY SAFETY SHOULD BE YOUR TOP PRIORITY

Safety and risk have been, and will continue to be, part of ministry. Everyday you take risks. Just by opening the doors on Sundays, you open your ministry to potential adversity. Some of these risks

are injuries from trips and falls, damage to property, theft of money, child abuse, counseling, and many others.

In today's world you need to examine risks and determine which ones enhance ministry, which ones can be controlled, and which ones cause harm. Most pastors do not have the time for this assessment, and rightly so.

Jesus called his disciples to take up the cross and follow Him. He warned them that there will be risks and to count the cost. You are a shepherd and being a good shepherd involves care and management of the flock (John 10:10). The good shepherd manages risk for the benefit of the flock.

Some Christian leaders believe that faith will protect the ministry, and that managing risk actually shows a lack of faith in God. If that were the case, why do you wear a seat belt, purchase health insurance, or go to the dentist? All you need to do is read about the church shooting in Colorado to realize it is important to be prepared, equipped, and protected. It was active security that saved lives in Colorado. The next question is, but how do I determine if my ministry is safe?

WHAT IS MINISTRY RISK ASSESSMENT?

A risk assessment is simply a careful review of risks associated with people, property, and liability. Each issue is then assessed based on likelihood of occurrence and impact on ministry. Once you have assessed the risks, you decide on a course of action.

The Pillars to Ministry Risk Assessment

Pillar I	identify the risks
Pillar II	Estimate the loss potential
Pillar III	Design control measures—best practices
Pillar IV	Implement the plan
Pillar V	Review your assessment and update if necessary

If you are a small ministry you most likely know what the risks are and do not need a professional to complete the process. It is always recommended, however, that a risk professional, insurance agent, or safety professional be involved in the process. This person will bring years of experience to the process that you just do not have. Your insurance agent can be an excellent resource for you.

PILLAR I: IDENTIFY THE RISKS

There are standards that have been used by professionals in the risk management and insurance industry that have proven to be the most effective. The simplest is to walk around your facility and look at what might cause a loss. Have each ministry team spend fifteen minutes thinking about their activities and ask, what could go wrong? There are many resources listed on page 20 that can help you identify risks.

- Self-inspections—Walk around the facility and make a visual inspection.

- Solicit opinions from professionals—Invite a professional to help you. (local insurance agent)
- Interview staff and volunteers—find out what they know.
- For every event ask, “What are three things that could go wrong?”
- Utilize the “group know-ledge” of your peers in your associations.
- Hire a consultant to complete a risk audit.

PILLAR II: ESTIMATE THE LOSS POTENTIAL

Once you have determined the risks associated with your ministry, you need to assign a loss potential (LP). The LP is your opinion of what the impact would be to your organization and the likelihood of a negative impact on your ministry. Usually this is defined by a numerical scale.

There is a risk matrix on pages 18–19 that will help you through the process. Remember this should be based on your individual ministry, but do not be fooled into thinking that just because nothing has happened to your ministry in the past, it could not happen in the future. For each risk factor you and your team should assign a number. Once you have the number, you can look to step three to determine the control measure.

PILLAR III: DESIGN CONTROL MEASURES—BEST PRACTICES

You have determined your risks and assigned a loss potential. Now you must decide on a plan of action. It is recommended that you start with the risks that have the highest score from Pillar II. It is always best to address the critical or those risks in RED first. Another good way to work through the design phase is to ask other ministries what they do. Utilizing the best practices from others can reduce your time and create an effective solution. Best practices included the following:

Questions to ask

- Can you avoid the risk or hazard?
- If not, is there a way to reduce it?
- Is there an insurance solution, if so, what is the cost?
- Is there a less risky solution?
- Can you have a third party provide the service?

Key points to consider

- Control measures do not have to cost money.
- Utilize staff and volunteers in the process.

Questions to ask others

- What kind of release do you have for youth ministry?
- Who is your insurance company? Do they specialize in ministry?
- Do you perform annual employee performance evaluation (s)?
- Do you have a sexual abuse policy?
- Does your ministry require two or more adults present in children’s ministries?

Resources

- Brotherhood Mutual insurance Company www.brothermutualinsurance.com
- Christian Ministries Insurance & Risk Management. www.cmrisk.com
- Church law group
- *Better Safe than Sued* by Jack Crabtree
- Christian Ministry Resources Matthews NC www.iclonline.com

Best practices have been provided under Pillar three for all of the risk areas. These are to be considered general in nature recognizing that in the assessment each church or ministry has different concerns or needs.

PILLAR IV: IMPLEMENT THE PLAN

All that is needed now is actually to carry out your control measures. That could mean sending out the new student code of conduct, requesting the insurance coverage change, or conducting the staff training. Use the resources above to help

Summary

- Safety and risk are part of ministry. In today’s world you need to examine risks and determine which ones enhance ministry, which ones can be controlled, and which ones cause harm.
- Some Christian leaders believe that faith will protect the ministry, and that managing risk actually shows a lack of faith in God. We must take steps, however, to determine if our ministry is safe.
- A risk assessment is a careful review of risks associated with people, property, and liability. Each issue is assessed based on likelihood of occurrence and impact on ministry.
- If you are a small ministry you most likely know what the risks are and do not need a professional to complete the process. It is always recommended, however, that a risk professional, insurance agent, or safety professional be involved in the process.
- There are five pillars of ministry safety.
 1. Identify the risks
 2. Estimate the loss potential
 3. Design control measures—best practices
 4. Implement the plan
 5. Review your assessment and update if necessary
- Completing a risk assessment does not guarantee that that you will never have anything bad happen. What it will do is give you confidence that you have done the best you could with the information you have, and it will reduce the severity of the event should one occur.

Author

Bob Lilly is managing partner for Christian Ministries Insurance & Risk Management. He can be reached at www.cmrisk.com.



Ministry Name: _____

Pillar I Ministry Assessment	Pillar II Estimate	Pillar III Determine Control Measures
Top risk exposures	Loss Potential* Low	Medium
1 Buildings insured to replacement	Ask your agent to review annually	Call your agent and have a review
2 Equipment insured to replacement	Create an inventory with replacement costs	Video tape all rooms and equipment
3 Computer software	Keep inventory	Keep inventory
4 Equipment in transit	Keep inventory	Keep inventory, add to insurance
5 Well lit parking lots	Regular maintenance	Regular maintenance
6 Property of others	Keep inventory	Keep inventory, add to insurance
7 Buildings up to current codes	Add to insurance	Add to insurance
8 Extra expense in case of loss	Add to insurance	Add to insurance
9 Employee dishonesty	Have written cash handling procedures	Have written cash handling procedures
10 Loss of money-theft	Add to insurance	Add to insurance
11 Crises management	Have complete plan in place and provide annual training	Have complete plan in place and provide annual training
12 Church/ministry security	Train ushers to see potential issues	Trained volunteers on site at all events
13 Food handling safety	General sanitation	General sanitation, trained food handlers, regular training
14 Regular financial review by outside firm	Committee to oversee financial records	Committees to oversee financial records, have outside audit every three years
15 Children's ministries policies/procedures	Have comprehensive policy in place	Have comprehensive policy in place
16 Sex offender policy	Have comprehensive policy in place	Have comprehensive policy in place
17 Sexual abuse	Have written policy complete annual training	Have written policy complete annual training
18 Pastoral counseling	Add to insurance	Add to insurance
19 Directors and officers liability	Insurance in place	Insurance in place
20 Two signatures checks over \$1,000	Require dual signatures	Require dual signatures
21 Outside organizations using facilities	Written agreement	Written agreement
22 Employment practices liability	Carry insurance	Carry insurance
23 Employee handbook	No employees, not necessary	Employees 0-1—have written policies
24 Contracts for all employees	No employees, not necessary	0-1 employee, contact or letter of understanding
25 Annual performance review for employees	No employees, not necessary	0-1 informal employment review by board
26 Up to date release forms for youth activities	Form signed by guardian, copy of medical information, release of liability "as allowed by law" wording	Form signed by guardian copy of medical information, release of liability "as allowed by law" wording
27 Foreign travel liability		
28 Loss of Income (tuition, rentals, giving)	Carry insurance	Carry insurance
29 15 passenger vans	If none	Make sure back seats are removed

*** Estimate Loss Potential**

1-4 Low May be acceptable; however, due care should be employed and task reviewed to see if risk can be reduced further.

6-7 Med Task should only proceed with appropriate authorization. Where possible the task should be redefined and/or measures employed to reduce the residual risk.

8-20 High Task must not proceed. It should be redefined or further control measures put in place to reduce risk. Controls should be re-assessed prior to the task commencing.

	Pillar III Best Practice	Pillar IV Implement Plan	
High	What do other ministries do?	By whom	Completed
Have your property valued by experienced professional	Property insured to 100% replacement		
Have your equipment valued by an experienced professional	Property insured to 100% replacement		
Research latest versions and costs	Included in property coverage		
Have written procedures, add to insurance	Insure to full value		
Regular maintenance	Parking lots well lit and on at night		
Have written procedures, add to insurance	Insured under property policy		
Add to insurance	25% sub limit on policy		
Add to insurance	Minimum \$100,000 limit \$250,000 for med		
Have written cash handling procedures, have two or more people involved in counting	\$5,000 smaller ministries, \$50,000 med \$100,000		
Add to insurance	\$25,000 minimum		
Have complete plan in place and provide annual training	Written plan in place and annual training		
Armed security, multiple staff, direct communications	Security for all events		
General sanitation, trained food handlers, regular training	At least one trained individual at all times		
Have committee to oversee financial records, have outside audit annually	External audit every three years		
Have comprehensive policy in place	Policies including, two or more adults in each class		
Have comprehensive policy in place	Policy in place outlining guidelines		
Have written policy complete annual training	Policy in place and annual training		
Add to insurance	\$1,000,000 minimum limit		
Insurance in place	Insurance coverage, minimum \$1,000,000		
Require dual signatures	Required on all checks. Separate deposit and check writing functions		
Written agreement	Written agreement with insurance and indemnity requirements		
Carry insurance	If employee, policy in place, minimum limit \$500,000		
More than two employees, complete employee hand book	Complete set of policies and procedures		
Employment contracts			
Two plus employees, there should be contracts	Formal contracts for all employee, usually one page		
Two plus—formal annual reviews with documentation of areas of improvement	Annual performance review by board or HR person. All notes and correspondence kept in locked file. Access limited.		
Form signed by guardian copy of medical information, release of liability “as allowed by law” wording	Form completed annually, including copy of student medical info, indemnity wording, “as allowed by law” wording and signed by guardian		
Carry insurance	Minimum of five months revenue/giving		
Make sure back seats are removed	Back seats removed, no loads in back or on roof		

* Severity of Risk

Risk Rating	Minor	Moderate	Serious	Major
Very unlikely	1	2	3	4
Likely	2	4	6	8
Possible	3	6	9	12
Probable	4	8	12	16

Likelihood

Very unlikely	1	2	3	4
Likely	2	4	6	8
Possible	3	6	9	12
Probable	4	8	12	16

Pillar V Review and Modify

Date: _____

Review each risk and determine if anything has changed that would require different control measures

☐ Completed

☐ Modified

_____ No. modified

_____ No. modified

_____ No. modified

_____ No. modified

you. These resources have good examples of policies and procedures available for you.

It is not necessary to do everything at once. Start with the risks you believe to be the most important to your ministry. Gain success with the smaller ones; then move to the more complicated or time consuming.

PILLAR V: REVIEW YOUR ASSESSMENT AND CHANGE IF NECESSARY


One thing is certain; change happens and seems to occur at a faster rate every day. Laws change, your ministry changes, new people become involved. There will be a need to review your plan every two to

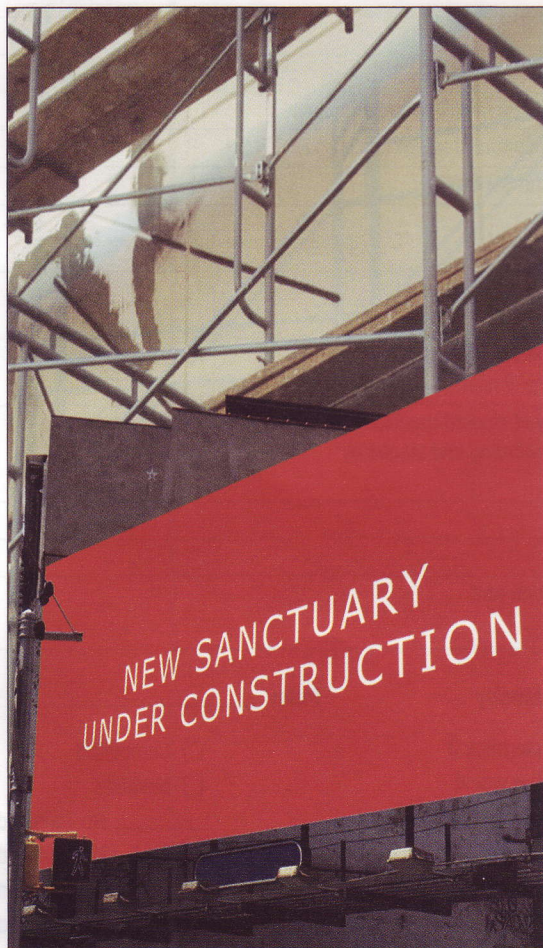
three years to make sure your risks have not changed. Maybe you went to a seminar and found a new and better control measure; if so, this is the time to put it in place. Make sure you review the plan if any of the following occur:

- There is a change of leadership.
- You undertake a new ministry.
- You have a series of claims or even occurrences but no claim.
- There is a major event at another ministry.

Ask your agent to meet with you annually to review your insurance coverage and update your plan.

FINAL THOUGHTS

These simple steps will save you and your ministry time, money, resources, and stress. Completing a risk assessment does not guarantee that that you will never have anything bad happen, but what it will do is give you confidence that you have done the best you could with the information you have, and it will reduce the severity of the event should one occur. The result will have less impact on your ministry allowing you to go back to what God has intended you to do, change lives. 



ARE YOU WAITING FOR A SIGN?

We have the financing you've been praying for!

"It's amazing how God does direct our paths.

Christian Community Credit Union financed the beginning of our dream and vision from God! *Because our church and kids program are unique, it was great for us to work with the Credit Union. They worked hard and diligent to get us our loan! For us it was a miracle!"*

Jerry Chadwick, Pastor
Joy Chadwick, Director, Children's Program
Northside City Church, Charlotte, NC



Christian Community
CREDIT UNION®

Your Money at Work
Building God's Kingdom

LET US FINANCE YOUR PROJECT!
800.347.CCCU ext. 4062
myCCCU.com/ministry