



[Home](#) [Firm Profile](#) [Peer Review](#) [Financial Tools](#) [Info Center](#) [Contact Us](#)

[Personal Info](#)
[Configure Niche Content](#)
[Saved Articles](#)
[Refer Colleague](#)
[Unsubscribe](#)
[Feedback](#)

[Your Privacy](#)

© 2014, Powered by BizActions

Hi, . Here are your Articles for February 4, 2014.

Make Sure Volunteers Are Covered

A few decades ago, not-for-profit organizations benefited from a type of charitable immunity - essentially they were protected from lawsuits. It was widely held that a non-profit's money should pay for good works, not someone's injuries.

However, over the years, the courts have stamped out this immunity in most states and non-profits are required to take legal responsibility for the actions taken by the organization, its employees and volunteers, just as any for-profit firm must do.

With an increase in general litigation, non-profits need to follow the example of commercial enterprises and adopt a risk-management program, with a particular focus on employment practices liability.

According to a recent study, more than 80 percent of the claims brought against non-profits were filed by employees. These include complaints involving discrimination, wrongful termination, sexual harassment, and retaliation. But non-profits also have volunteers who can bring actions against the organization or whose actions may result in lawsuits from third parties.

Talk to your human resources experts to come up with a policy that can minimize your exposure. Here are a few tips:

Appoint a manager. Tap someone to take responsibility for your employment practices. The person should make sure that there are written standards for hiring, retaining and firing personnel. All employees should be informed of the rules, which should be followed as closely as possible.

Include volunteers. Make sure that volunteers receive training and understand the rules that affect them. If there are problems, give them feedback and a chance to improve. However, if problems continue, volunteers should be let go.

Take complaints seriously. If an employee charges a colleague with misbehavior, talk with the accused person and explain the possible consequences. Monitor the situation while the investigation continues. If a lawsuit is threatened, employers need to show that they've acted on a complaint.

Go by the book. Have an employment law firm review employee handbooks and other personnel materials before publication. New employees should have an opportunity to read the manual before they start to work and sign a statement that they've read and will agree to adhere to the policies. Establishing rules and regulations in writing can go a long way to protect you in case of a lawsuit.

Protect yourself. During quarterly performance reviews, ask each employee to sign off that there has been no harassment and that there are no conflicts. This creates a pattern that may be used in your defense if some legal action is filed later.

Review insurance. In recent years, directors' and officers' insurance has expanded to cover employment practices liability, but the policies aren't

standard. Read yours carefully to see who is insured and if the policy covers volunteers.

Remember, many committee members are volunteers. Make sure your insurance policies also cover legal costs. When it comes to your employment practices liability, an ounce of prevention today can forestall a legal pounding tomorrow.

(For more information on directors' and officers' insurance, read our previous article [Negotiate the Terms of a D&O Policy](#))

Email to a Friend Save Article Email Firm Share This

Feedback

- Is this item worthy of implementation? Yes No Maybe
- Is this item worth sharing with other associates? Yes No Maybe
- Did this item present value to you and your business? Yes No Maybe

Comments:

Submit