

RISK ASSESSMENT CHECKLIST

REFORMED CHURCH IN AMERICA



FOLLOWING CHRIST IN MISSION

**RISK ASSESSMENT CHECKLIST
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Introduction

To promote physical health, individuals are encouraged to undergo routine, periodic physical exams. Churches should do the same thing—not just regarding their physical condition, but regarding their “legal” condition as well.

Like it or not, churches are engaged in legal relationships and commercial activities on a daily basis. They employ staff. They provide services to people of all ages and from all walks of life. In most instances they conduct many of their operations through corporations (typically not-for-profit corporations). As such, they are subject to applicable corporate laws and, along with their ministers, must comply with certain requirements in order to receive favorable tax treatment. For these and other reasons it is important that churches do things correctly. The consistory should make sure this happens.

One way a consistory can ensure things are done correctly is to subject the church periodically to a routine check-up. The checklist that follows is intended to help the consistory do so. It is by no means definitive or exhaustive. It should, however, be a good starting point, and hopefully will prompt additional ideas as you review it. Consistories are encouraged to use it periodically (perhaps annually) and to carefully consider how it can appropriately manage the various risks to which a church is exposed. If you believe your church would benefit from a more extensive review than what can be achieved using this resource, comprehensive checklists are available online from insurance companies and some denominations. They include:

- The 24-page “Self-Inspection Safety Checklist” from the Safety Resources section of the Church Mutual Insurance Company website, www.churchmutual.com.
- The “Local Church Self-Inspection Checklist” from the General Council on Finance and Administration of the United Methodist Church, www.gcfa.org/PDFs/LMIRMLCCList.pdf.
- “Risk and Safety Assessments” from SafeChurch (which is affiliated with GuideOne Insurance) at www.safechurch.com/assessments.
- Various checklists from Brotherhood Mutual Insurance Company, www.brotherhoodmutual.com/safetycentral.

This resource is provided for general information only. It is not intended to serve as legal, accounting, or tax advice. Each situation is unique. Moreover, the use of this resource or any similar resource that is provided through the RCA’s website does not create an attorney-client relationship of any sort. For particular legal, accounting, tax, or other assistance or advice, consult with a competent professional who is licensed to practice and is knowledgeable about the laws and practices in your particular jurisdiction. Neither the General Synod, the General Synod Council, nor any other agency, assembly, or institution of the Reformed Church in America, nor any staff member of any of the foregoing, is responsible for any damage, liability, loss, injury, or other harm that may result from your use of this resource, whether from errors or omissions in the content of this resource or any other resource referenced in this resource, or from any other use.

In a number of instances the reader is referred to resources offered by third parties. Such referrals are not intended as an endorsement or recommendation of the resources, nor are they

intended to imply that the accuracy of the resources has been verified. Rather, they are simply intended to direct the reader to materials that may be relevant to the particular topic.

This resource is an ongoing work in progress. As you use it, if additional issues come to mind that you believe should be addressed, please forward them to us at webservant@rca.org. Similarly, if you encounter resources that you consider useful and believe should be included in this checklist, please forward them to us as well.

I. Organization/Formation/Governance

Local churches (as well as classes, regional synods, and other agencies, assemblies, institutions, and similar bodies) in the Reformed Church in America are strongly encouraged to form a corporation through which to conduct their activities. Conducting activities through a corporation that is properly organized, validly existing, and governed by a thoughtfully written set of bylaws may provide a number of benefits, including:

- Insulating church members and leaders from liability for the obligations of the church.
- Establishing with greater clarity and certainty the church's ability and authority to enter into contracts and other agreements, establish accounts, own real and personal property, and take similar actions in the name of the church.
- Providing for perpetual duration, which is particularly helpful when it comes to property ownership and carrying on programs and other activities of the church.
- Facilitating the process of establishing and maintaining the church's tax-exempt status.
- Facilitating fundraising by making it easier to demonstrate that contributions are deductible.
- Making it easier to obtain special treatment such as reduced postage rates or property tax exemptions.

To promote these goals consider the following:

- Is your church properly incorporated? Is the corporation active and in good standing?
- Does your church have bylaws? Are they current (i.e., do they accurately reflect how the church is organized and operates)?
- Are all required periodic filings current (e.g., annual corporate reports)?
- Are your church and its various committees maintaining appropriate records of their meetings and any actions taken (e.g., minutes or similar summaries)? Are such records stored in a secure location?
- Are older minutes of your consistory being sent to the RCA's archives for safekeeping?

In many states and provinces you may be able to determine whether a church is properly **incorporated and in good standing** through databases on government websites. Many states and provinces allow users to search through corporation records online. Others provide contact information for written inquiries.

The following are online governmental resources that may assist you:

UNITED STATES	
Arizona	www.cc.state.az.us
California	www.sos.ca.gov/business/corp/corp_irc.htm
Colorado	www.sos.state.co.us/pubs/business/main.htm
Florida	www.dos.state.fl.us
Georgia	http://corp.sos.state.ga.us/corp/soskb/csearch.asp
Idaho	www.idsos.state.id.us/corp/corindex.htm
Illinois	www.cyberdriveillinois.com/departments/business_services/home.html
Indiana	www.in.gov/sos/business
Iowa	www.sos.state.ia.us/search/corp/corp_search.asp
Kansas	www.accesskansas.org/srv-corporations/search.do
Kentucky	http://apps.sos.ky.gov/business/obdb
Maryland	http://sdatcert3.resiusa.org/ucc-charter/chartersearch_f.aspx
Massachusetts	www.sec.state.ma.us/cor/coridx.htm
Michigan	www.dleg.state.mi.us/bcs_corp/sr_corp.asp
Minnesota	www.sos.state.mn.us/home/index.asp?page=6
Missouri	www.sos.mo.gov/businessentity/soskb/csearch.asp
Montana	http://app.mt.gov/bes
Nebraska	www.sos.state.ne.us/business/corp_serv
Nevada	https://esos.state.nv.us/sosservices/anonymousaccess/corpsearch/corpsearch.aspx
New Jersey	www.state.nj.us/treasury/revenue/dcr/programs/corprec.html
New Mexico	www.nmprc.state.nm.us/cii.htm
New York	www.dos.state.ny.us/corp/corpwww.html
North Carolina	www.secretary.state.nc.us/corporations/csearch.aspx
North Dakota	www.nd.gov/sos/businessserv

Ohio	www.sos.state.oh.us/sos/businessservices.aspx
Oklahoma	www.sos.state.ok.us/business/business_records.htm
Pennsylvania	www.corporations.state.pa.us/corp/soskb/csearch.asp
South Dakota	http://apps.sd.gov/applications/st32cprs/soscorplookup.aspx
Tennessee	www.tennesseeanytime.org/soscorp
Texas	www.sos.state.tx.us/corp/index.shtml
Washington	www.secstate.wa.gov/corps
Wisconsin	www.wdfi.org

CANADA (Note: In Canada, corporation records are not publicly accessible online)	
Alberta	www.infratrans.gov.ab.ca
British Columbia	www.fin.gov.bc.ca/registries/corppg
Manitoba	www.manitoba.ca/index.html
Ontario	www.gov.on.ca/mgs/en/home/stel01_039054.html

If it appears that your church is not **active and in good standing**, work with your attorney to remedy the situation. Typically, to reactivate a corporation or ensure its good standing, forms must be filed and/or fees must be paid. If your church is not properly incorporated, work with your attorney to incorporate.

Additional materials regarding the contents of a certificate of incorporation (some jurisdictions call them “articles of incorporation” or a “charter”)—particularly how to make them consistent with the polity of the RCA and with certain provisions of the RCA’s *Book of Church Order*—can be obtained from your classis stated clerk (who can download them from the stated clerk section of the RCA website) or the RCA’s general counsel, Paul Karssen, at (888) 722-4958 or pkarsen@rca.org. In any event you must make sure that the certificate of incorporation is consistent with the RCA’s *Book of Church Order* and includes the provisions of Formulary 15 of the *BCO*.

For a sample certificate of incorporation, see “Incorporation of Local Churches,” which can be found on the Consistory Center section of the RCA website, www.rca.org. Under “Leadership” at the top of the page, select “Consistory Center.” **Please note that this document is provided for informational purposes only, and should not be used, in part or in whole, without first consulting with an attorney.**

The online governmental resources listed above may also be useful when attempting to determine whether periodic filings are current.

The **bylaws** of a church are very important because they typically specify how the church will operate. Some churches choose to have very short, simple bylaws so that the church can operate with considerable flexibility. Other churches prefer detailed and therefore lengthy bylaws in order to avoid, whenever possible, potential disputes about how particular matters should be handled. Typically bylaws cover such topics as:

- When and where meetings are held and how they may be conducted (e.g., quorums, maintenance of minutes, meetings by electronic communications, etc.)
- Memberships and leadership criteria (officers, committees, etc.)
- Fiscal year
- Who may sign contracts for the church, and what type of approvals must be obtained before they may be signed
- Indemnification of officers and consistory members

When preparing bylaws, the best approach is for the consistory and its counsel to discuss how the church operates (or will operate), and then draft bylaws accordingly. Because each church is unique and applicable laws vary among jurisdictions, it's inappropriate to provide a "one size fits all" or "fill in the blank" form. Nevertheless, for a template to facilitate such a discussion, see the Bylaws Template found on the Consistory Center section of the RCA website, www.rca.org.

For information regarding storage of **minutes and other vital records**, contact the RCA's archivist, Russell Gasero, at (732) 246-1779 or rgasero@rca.org. For more information about the RCA Archives and access to information about congregational records retention, visit the RCA website, www.rca.org, mouse over "About Us" at the top of the page, and click on "Archives" in the drop-down menu.

Several other denominations have resources on their websites regarding congregational records retention. One example is the "Records Management for Congregations" page on the Evangelical Lutheran Church in America's website, www.elca.org/records.

II. Consistory Operations

Making sure that appropriate corporate forms and practices are in place is only the first step. It is also important the church (or other agency, assembly, institution, or similar body) operates smoothly, consistently, and effectively. Leaders must know their responsibilities (under applicable civil law and under the RCA's *Book of Church Order*), as well as what's expected of them by members. At the same time, members must know what is realistic to expect from their leaders. And *all* participants—leaders and members alike—want assurances that the good of the church and those it serves is foremost in each person's mind.

To promote these goals, consider the following:

- Are reasonable methods in place to orient new consistory members?
- Are consistory members afforded opportunities for training and development in their respective roles as elders and deacons?
- Are the expectations of all consistory members (ministers, elders, and deacons) clearly established and periodically reviewed?
- Does the consistory have a reasonable conflict of interest policy?
- Does the consistory have a reasonable risk management plan? Is it reviewed and updated periodically? Has responsibility for its implementation been clearly assigned to particular consistory members, officers, or committees?

For resources related to the first three items, go to the RCA website, www.rca.org, and click on "Consistory Center" in the drop-down box under "Leadership."

Many resources regarding risk management are available from the Nonprofit Risk Management Center, www.nonprofitrisk.org. Additionally, several denominations have risk management resources on their websites. Examples include:

- The Evangelical Lutheran Church in America, www.elca.org/legal.
- The Presbyterian Church (U.S.A.), www.pcusa.org/legal/risk.

III. Financial Policies

As mentioned in Section II, leaders and members alike want assurances that the good of the church and those it serves is foremost in each person's mind. There are few, if any, areas where this is as true as in the area of finances. It is important that proper systems and procedures are in place to receive, count, and deposit contributions; to manage and administer the accounts in which the contributions are held; to plan for the disbursement of the funds through a careful and realistic budgeting process; and ultimately to disburse them for purposes that have been approved by the church's membership and/or leadership through the budgeting process.

To promote these goals, consider the following:

- A. Does your consistory have reasonable written financial policies? Are they readily accessible to all consistory members and reviewed periodically?
- B. Is responsibility for financial matters clearly allocated to particular consistory members, officers, or committees?
- C. Does your church have an annual budget?
- D. Does your consistory receive and review periodic financial statements?
- E. Are the financial books, records, and procedures of your church audited periodically?
- F. Does your church have reasonable internal financial controls for things such as:
 - i) counting, recording, and depositing weekly offerings?
 - ii) bookkeeping?
 - iii) check writing?
 - iv) disbursement authorization?
- G. Does the consistory have a reasonable written policy for endowment funds, memorial funds, or other liquid assets that may be held "long-term"? Is responsibility for compliance with the policy clearly allocated to particular consistory members, officers, or committees?
- H. Does the consistory have reasonable written policies regarding acceptance of gifts (e.g., gifts it will accept, such as cash and readily marketable securities; gifts it will not accept, such as gifts that are subject to regulatory restrictions or that are environmentally tainted; and gifts that it will only accept following careful review, such as personal property or interests in businesses that may be difficult to sell)?
- I. If the church has sources of revenue other than charitable donations (e.g., rental income from a third party, such as a day care operator, or income from the church's operation of a business, such as day care or thrift store), is the revenue taxable income? If so, are tax returns or other documentation being filed and are taxes being paid?

Many resources regarding financial risk management are available from the Nonprofit Risk Management Center, www.nonprofitrisk.org. Additional information is available in a pamphlet

called "ECFA Standards and Best Practices for Churches," published by the Evangelical Council for Financial Accountability (800-323-9473, information@ECFA.org, or www.ECFA.org).

Other denominations have resources for financial policies and practices on their websites.

Examples include:

- Risk management resources, www.elca.org/risk, and legal services resources, www.elca.org/legal, on the website of the Evangelical Lutheran Church in America.
- The Office of Stewardship section of the website of the Presbyterian Church (U.S.A.), www.pcusa.org/stewardship/financial.
- Information on church law from the Christian and Missionary Alliance, www.cmalliance.org/resources/church/risk/church_risk.jsp.

Brotherhood Mutual Insurance Company provides a number of useful resources as well. They include articles and free online assessments. Visit the "Money" section of its Church Safety website, www.churchsafety.com.

Resources and information on tax issues are available through:

- The Charities and Non-Profits section of the United States Internal Revenue Service website, www.irs.gov/charities.
- The Canada Revenue Agency website, www.cra-arc.gc.ca. Click on "Forms and Publications" in the upper left-hand corner. This page includes resources regarding charities, donations, and gifts.
- The Legal Services section on the website of the Evangelical Lutheran Church in America, www.elca.org/legal. Click on "Questions about Tax Status" on the left-hand side.
- The Legal Resource Manual of the Presbyterian Church (U.S.A.), www.pcusa.org/legal/taxation.
- The section on taxation in the legal manual of the General Council on Finance and Administration for the United Methodist Church, www.gcfa.org/pdfs/lmtaxation.pdf.

For churches in the United States, additional information regarding unrelated business income tax is available in IRS Publication 598, entitled "Tax on Unrelated Business Income for Exempt Organizations." You can download the publication from the Internal Revenue Service website, www.irs.gov.

IV. Employment Issues

The relationship between any church or other assembly and the ministers and staff that serve it can be complicated. Pertinent issues include:

- Are the minister and staff employees or independent contractors?
- What level of screening should or must be used before hiring or retaining a person? Immigration status? Criminal history? Prior employment? Financial history?
- What factors may be considered when deciding whether to hire, retain, or dismiss someone? Age? Physical condition? Sexual orientation? Use of controlled substances? Military status? Religious views? Marital status? Family status? References from third parties?
- What federal, state, and local laws apply to the relationships between a church or other assembly and the minister and/or staff?

If the church has clear policies and procedures regarding these issues it should be better prepared to deal with them. This in turn should minimize the likelihood of misunderstandings, conflicts, or disputes.

In light of the foregoing, consider the following:

- A. Does your church have reasonable written employment policies? Are they properly communicated to all employees?
- B. Does your church have written position descriptions and/or expectations for all employees? Are they properly communicated to all employees?
- C. Does each employee receive periodic performance reviews, and are the results of such reviews properly documented?
- D. Are all employees properly supervised and mentored? Do they know who their supervisors and mentors are?
- E. Is the consistory fulfilling all commitments it made to the church's ordained ministers when they were called?
 - i) Is each ordained minister provided the minimum professional development benefits described in the call?
 - ii) Is the consistory fulfilling its the promises to the church's ordained minister(s) to
 - (a) pay the stipulated contribution to the RCA retirement plan,
 - (b) pay the premiums for group life insurance, long-term disability insurance, and medical insurance, and
 - (c) provide the medical insurance described in (b) for the minister's family (except where the minister's immediate family has medical coverage through a spouse's employer-sponsored group plan)?

- F. For ministers in the United States, are housing allowance designations being made properly each year for all “ministers” (as defined by applicable law) serving the church? Note that for this purpose the term minister may include not only ordained ministers of Word and sacrament, but commissioned pastors as well.

The RCA’s *Book of Church Order* contains a number of provisions that affect the relationship between ordained ministers and consistories. See generally *BCO* Chapter 1, Part I, Article 2. For specific provisions regarding fulfillment of the provisions of the call form (especially as they relate to retirement and insurance), see *BCO* Chapter 1, Part I, Article 2, Section 7 and Chapter 1, Part II, Article 7, Section 1g.

A number of employment-related resources (many of which have a “risk management” emphasis) are available on the Employment Practices section of the Nonprofit Risk Management Center’s website, www.nonprofitrisk.org.

Church Mutual Insurance Company provides a number of pamphlets, brochures, and similar materials, all of which are intended to minimize risks to persons and property. Such pamphlets and booklets are available from the Church Mutual website, www.churchmutual.com (click on “Safety Resources”). Various human resources services are also available through the Safety Resources section.

Other denominations have employment-related resources on their websites. For example:

- The Personnel section of the Legal Resources Manual of the Presbyterian Church (U.S.A.), www.pcusa.org/legal/personnel.
- The “Questions About Employees and Volunteers” page on the website of the Evangelical Lutheran Church in America, www.elca.org/legal.
- The Personnel section of the legal manual of the General Council on Finance and Administration for the United Methodist Church, www.gcfa.org/ls_legalmanual.html.
- The Church Law section of the website of the Christian and Missionary Alliance, www.cmalliance.org/resources/church/risk/law.jsp.

Finally, for churches in the United States, additional information regarding the clergy housing allowance is available in IRS Publication 517, entitled “Social Security and Other Information for the Members of the Clergy and Religious Workers.” You can download the publication from the Internal Revenue Service website, www.irs.gov.

V. Church Programs/Protection of Youth

Scripture teaches that children are a gift from God. Through the sacrament of baptism the congregation vows to love, encourage, and support its youth. This is an enormous responsibility—one that is more difficult to carry out effectively if the church's leaders and members fail to take appropriate steps to protect its members (both youth and adults) from physical, mental, and emotional harm. If appropriate steps are not taken and harm results, everyone suffers. The victim may suffer physically, mentally, emotionally, and spiritually; church leaders and members may have deep and lasting feelings of guilt and disappointment; and church assets (which otherwise would be used for ministry) may be at risk if claims are asserted by the victims.

To guard against such undesirable and unfortunate consequences, consider the following:

- Does your church have reasonable written guidelines regarding adult supervision of youth activities, including the number of adults who must be present at such activities (whether on or off site), whether any of them must be trained in first aid and CPR, etc.?
- Does your church routinely require written releases or permission slips in connection with activities it sponsors (whether on or off site)?
- Does your church have reasonable written guidelines and standards of conduct for those who work with youth of any age?
- Does your church conduct background checks for those who may work with youth of any age?
- Does your church require child abuse awareness training for those who may work with youth of any age?
- Does your church have reasonable written guidelines and standards of conduct for those who provide counseling? Does your church conduct background checks for such people?

Many resources are available regarding the general safety and wellbeing of children, youth, and adults, both at church and elsewhere. Additionally, given the high visibility in recent years of child abuse and sexual misconduct, as well as the devastating consequences of such abuse and misconduct, countless resources on this particular topic are available. The following list is by no means comprehensive.

Church Mutual Insurance provides a number of pamphlets, brochures, and similar materials, all of which are intended to minimize risks to persons and property. Resources include "Safety Tips on a Sensitive Subject: Child Sexual Abuse" (available in both print and video format), "Youth Safety And Your Congregation," "Safety At Your Playground," and "Reducing The Risk of Sexual Misconduct." To access these resources, visit www.churchmutual.com, click on "Safety Resources" on the left-hand side of the page, then choose "Protection Series Booklets."

The Evangelical Lutheran Church in America has assembled an extensive list of resources on its website. Visit www.elca.org/legal and click on "Questions about Protecting Children, Youth, and Adults from Abuse."

The General Council on Finance and Administration for the United Methodist Church has assembled information regarding sexual and gender harassment and misconduct policies, as well as a sexual harassment investigation checklist for church organizations. Visit www.gcf.org/litigationandmisconduct.html to access these resources.

VI. Church Facilities

The facilities of a church (such as buildings, grounds, and personal property) are but one of the many resources that are entrusted to it for ministry and mission. As such, they should be well cared for so that they can be used effectively and will not present hazards or risks to those who use them.

For this reason, consider the following:

- Does the church have a reasonable written policy regarding permitted uses of its facilities by members? By non-members? Does the church's insurance cover such uses?
- Does the consistory periodically review its buildings, property, and equipment (including vehicles) to identify potential hazards, deferred maintenance, necessary repairs, and similar matters?
- Are all exits properly marked and clear of obstructions and hazards?
- Are all fire extinguishers and other emergency equipment checked periodically, properly maintained, and in properly designated locations?
- Are a reasonable number of church members trained in the proper use of emergency equipment?
- Is the church aware of issues that may arise if it rents or leases its facilities (or a portion of its property) to a third party?

The RCA's *Book of Church Order* contains a number of provisions that pertain to ownership of property by a local church. See *BCO* Chapter 1, Part I, Article 2, Section 13 and Chapter 1, Part II, Article 7, Sections 14, 16-18, 19f, 20, and 21.

Church Mutual Insurance Company provides a number of pamphlets, brochures, and similar materials, all of which are intended to minimize risks to persons and property. They are available on the Church Mutual website, www.churchmutual.com. Click on "Safety Resources" on the left-hand side of the page, then choose "Protection Series Booklets," "Self-Inspection Checklists," or "Fire Prevention."

Other denominations have property-related resources on their websites. For example:

- The Legal Resources Manual of the Presbyterian Church (U.S.A.) has a section on property, www.pcusa.org/legal/property.
- The Evangelical Lutheran Church in America has information on buildings and property. Visit www.elca.org/legal and choose "Questions about Buildings and Property."
- The General Council on Finances and Administration for the United Methodist Church has a section on real property issues, www.gcfa.org/realpropertyissues.html.

Finally, it is becoming increasingly common for churches to consider leasing a portion of their property to a cell phone service provider for the installation of a cell phone antenna (either on a

newly constructed tower or an addition to an existing structure). For a discussion of the issues that may arise under such circumstances, go to www.gcfa.org/realpropertyissues.html and click on "Rental of Church Steeples to Cellular Phone Companies—Legal and Tax Considerations."

VII. Vehicles

Vehicles, while just one of the many types of personal property of the church, present unique issues. They are mobile, and therefore can be used off site (to transport church members to other locations), where it may be more difficult to exercise appropriate supervision and control. Because of their mobility, they also present a greater likelihood of harming someone—whether participants in church activities who are riding in the vehicle or third parties who may come in contact with the vehicle.

Consequently, consider the following:

- Are they periodically examined to identify necessary repairs, maintenance requirements, and similar matters?
- Do the vehicles undergo routine servicing?
- Is the church's insurance coverage adequate for the vehicles it owns and the ways they are used?
- Does the church have a reasonable written policy regarding who may drive the vehicles, the purposes for which the vehicles may be used, and the conditions under which they may be operated (including maximum occupancy and the use of cell phones and other wireless communication devices while driving)?

The Non-Profit Risk Management Center has an extensive online library containing articles on a variety of subjects, including safety and insurance. Go to their website, www.nonprofitrisk.org, click on "Library," and then use the search engine to find articles on the particular topic that interests you.

Church Mutual Insurance Company provides a number of pamphlets, brochures, and similar materials, all of which are intended to minimize risks to persons and property. They are available on the "Safety Resources" section of the Church Mutual website, www.churchmutual.org, and cover topics such as transportation safety and 15-passenger vans.

Other denominations have vehicle and transportation-related resources on their websites. For example:

- The Legal Resources Manual of the Presbyterian Church (U.S.A.) offers a section on risk management and insurance. Visit www.pcusa.org/legal/risk.
- The website of the Evangelical Lutheran Church in America offers a section on vehicles and equipment. Visit www.elca.org/legal and click on "Questions about the Use of Vehicles and Equipment."

VIII. Website/Computers/Internet Use

Churches are using computers and the Internet with increasing frequency. This use includes emails to members and others; websites about the church, possibly with links to other sites on the Internet; and software for any number of functions, including document preparation, record keeping, financial functions, and storage of information and materials for various reasons. Indeed, in many instances churches don't simply *use* computers and the Internet; they are *dependent* upon them for ongoing, routine, day-to-day operations, and their absence—whether due to a power outage, a system failure, or a hard drive “crash” or similar loss of data—may cause a substantial and prolonged disruption in normal operations.

For all these reasons, consider the following:

If your church has a website:

- Does the church have a reasonable written policy regarding security of information on its website, including who may access and alter the form and/or content of the site, what may be done with any information that is gathered on the site, and similar matters?
- Is responsibility for the website clearly allocated to particular consistory members, officers, or committees?

If your church uses computers:

- Does the church have a reasonable written policy regarding permitted uses of computer equipment, web browsers, and email systems?
- Does the church have a reasonable written policy regarding the security of access to data and proper data storage and backup (including a disaster recovery plan)?
- Is responsibility for review of and compliance with computer and Internet usage policies clearly allocated to particular consistory members, officers, or committees?

The Nonprofit Risk Management Center has an extensive online library that includes articles on computer, Internet, and email usage. These articles can be accessed through the center's website, www.nonprofitrisk.org. Click on “Library,” and then use the search engine to find articles on topics such as computer use, email use, email restrictions, and Internet access.

For a sample policy for use of a church's computer, visit the website of the Evangelical Lutheran Church in America, www.elca.org/legal, and click on “Questions about the Use of the Congregation's Computers and the Internet.”

IX. Insurance

Even if all appropriate precautions are taken, things can still go wrong, losses can occur, and claims can be made against your church and its leaders and members. This is why your church should consider obtaining insurance. Insurance is available for many (though not all) of the types of issues highlighted in this checklist, and can help protect against a sudden and substantial loss. Does your church have appropriate types and amounts of insurance? Consider:

- Does the consistory have reasonable written policies regarding the types and amounts of insurance that should be maintained? Different types of insurance include liability, casualty, director's and officer's (D&O) liability, sexual misconduct, builder's risk when construction is in progress, motor vehicle operations, and personal property.
- Are the above-mentioned written policies reviewed and updated periodically?
- Is responsibility for review of and compliance with such policies clearly allocated to particular consistory members, officers, or committees?

Several denominations have developed resources related to insurance that are available on their websites. Some explain the types of insurance that are available; others recommend the types of insurance that should be obtained.

- Resources developed by the Evangelical Lutheran Church in America are available at www.elca.org/insurance.
- Resources developed by the Presbyterian Church (U.S.A.) are available at www.pcusa.org/legal/risk.
- Resources developed by the General Council on Finance and Administration of the United Methodist Church are available at www.gcfa.org/ls_legalmanual.html. Click on "Insurance and Risk Management."
- Resources developed by the Christian and Missionary Alliance are available at www.cmalliance.org/resources/church/risk/risk.jsp.