

Use of Church Facilities by Others

You may want to be a good neighbor in your community by offering your facilities or you may be looking to take advantage of rental income when you are not using your facilities for church activities. Either way, you will be opening the door to additional legal liabilities.

One insurance company cites a case where the church allowed the local school district to offer evening classes on the church property. A participant fell while going down the steps, fracturing both ankles and resulting in multiple surgeries and permanent disability. She sued the church for negligence and recovered \$550,000.

There are issues you should consider before making a decision to allow groups onto your property who otherwise would not pass through your doors. We hope this information will be of assistance to you.

1. Develop a Facility Usage Policy

- a. Who is permitted to rent your facilities?
- b. What are the costs involved?
- c. Who is responsible for the set-up and clean-up?
- d. What are your behavioral expectations?
 - i. Address issues such as the use of alcohol and smoking on your premises.
 - ii. Does the group's activity conflict with the Social Principles of your church?
- e. If children will be present, what are the childcare arrangements? Make sure the group's liability insurance does not exclude sexual abuse liability and ask the group to confirm in writing that background checks have been obtained on all adults working with or caring for children.
- f. Establish a fee schedule which may include a security deposit for damages.

2. Document Facility Usage Requests and Maintain an Approval Process

- a. Some churches require the group be sponsored by a member. If the group is unknown to your church, check references from places where the group has held events in the past.
- b. Set up a procedure for approval by your pastor and board of trustees.

3. Have a Facility Usage Agreement

- a. Confirm the costs involved; specify the times and outline your expectations.
- b. Most important, include a release from liability, a "hold harmless" clause in which the outside group agrees to indemnify the church for any injuries or damages that may occur while they are using the church. The agreement should outline your insurance requirements,

4. Call HUB International - Before signing an Agreement. Let's make certain the proposed activity of the group is not excluded from coverage under the church insurance policy.

5. Require that the group be insured.

- a. Require General Liability Insurance. Have the church added to their policy as an Additional Named Insured and ask for a Certificate of Insurance. We want claims to go first under the group's policy so it does not affect the loss experience and insurance rates for your church.
- b. Send the Certificate of Insurance to HUB International for review and confirmation that the insurer has an acceptable A.M. Best Rating of A or better.

6. Inspect the Premises

- a. Prior to allowing a group to use your facilities, conduct an inspection of the premises. Document existing conditions that could possibly lead to an accident or injury. Look for slip and fall exposures and life safety concerns such as hallways that are blocked. When you find deficiencies, take necessary steps to correct them. If you conduct a walkthrough with a representative of the outside group immediately before and after the event, you can help settle any disputes if there are any damages to the church property.

TIP: For tax reasons, you should avoid allowing your premises to be used for political purposes and you should carefully consider to what extent you will allow the facility to be rented to for-profit enterprises. Address these issues with your tax attorney or accountant.