

## RISK ASSESSMENT AND MITIGATION OVERVIEW

A church faces many types of risks. Risks can be looked at from a campus, program and people risk perspective. They can be looked at from a government compliance and legal perspective. We cannot live or operate without risks. However a person and a Church must identify major risks and mitigate them and have insurance protection to survive over the long pull.

If a church is in debt or income barely covers expenses, it might conclude they do not have any assets causing an audit or being worth a legal action against the Church. Many churches have very significant assets in the way of owned grounds, buildings and equipment that can put the church at risk of a legal action.

Another reason for risk assessment and mitigation is that government non-compliance or a legal action can tie up a significant amount of time of limited human resources that would otherwise be available to pursue the Church's vision & purpose.

A Church should assign responsibility for a Church risk assessment and mitigation to a person other than the Senior Pastor. The primary objective would be to identify high financial and high human resource time utilization legal risks and mitigate these risks.

Transformation Ministries is providing the following online reference documents to assist in risk assessment and mitigation:

1. SAMPLE RISK ASSESSMENT AND MITIGATION POLICY & PROCEDURES
2. RISK ASSESSMENT ACTION PLAN Excel spreadsheet for listing and tracking segmented as follows
  - a. Constitutional/Bylaws content risks
  - b. Insurance risks
  - c. Financial risks
  - d. People risks
  - e. Church, ministries & Pastor risks
  - f. General risks
  - g. Event/observation triggered risks
3. RISK IDENTIFICATION CHECKLIST listing 16 areas of potential church risks to stimulate identification of significant risks to be assessed.

*These samples are provided as input to assist you in developing procedures, but are not a substitute for considering the risks at your church and establishing your own policies and procedures to reduce those risks to acceptable levels. Transformation Ministries provides these as a convenience for its churches but directly states to you, the user that Transformation Ministries is not providing these to you as legal advice or even a substitute for legal advice. Use of these samples is at your own risk. Laws change and best practices change, sometimes rapidly. It is your church's responsibility to stay abreast of changes in laws and best practices. It is recommended you always consult with your attorney and/or CPA as part of the process of developing your policies and procedures.*