



AMERICAN CANYON ARTS FOUNDATION

Board of Director's Policy Manual

Risk Management & Safety Policy

Adopted/Revised:
May 10, 2022

I. Purpose/Intent

Any activity has an element of risk associated with it. Understanding—and managing—that risk is critical to keep insurance premiums and other costs down, as well as to protect our members and the general public. Practical safety measures need to become part of how we develop and implement programs and events.

II. Authority

The Board of Directors has the authority to establish policies under Article 12, Section 2 of the By-Laws, and approved this policy by adopting Resolution 2013-02. This policy was revised by action of the Board on May 10, 2022.

III. Policy

Section One: Risk Management Defined

1. Managing risk comes down to three basic approaches: avoidance, mitigation, and transfer. Using the example of selling alcohol at an event, the three concepts can be explained as follows:
 - a. *Risk Avoidance*: The only way to avoid all risks in selling alcohol is to decide **not** to sell alcohol at all. Avoiding the activity completely avoids the risk— it also means you will not receive any *benefit* from the activity, either.
 - b. *Risk Mitigation*: Steps could be taken to reduce the likelihood of any problems; for example, checking identification reduces the chance of selling to minors; requiring that all servers are trained in responsible hospitality; or giving preference to “designated drivers.”
 - c. *Risk Transfer*: This would involve allocating some or all the risk to a third party; for example, purchasing an insurance policy for the event means that if a problem occurs, the insurance company will assume some or all of the cost of damages; or contracting with another group to handle the alcohol, in exchange for a percentage of the net proceeds. Transferring risk also means trading some of the benefit for the risk.
2. Ultimately, risk management means evaluating the risks of any activity and deciding what amount of each strategy should be used to achieve the optimal level of reducing risks while ensuring a reasonable return on the investment of time, money, or volunteer effort. It should be done before making the decision to undertake the project or event, and then be a part of the evaluation afterwards.

Section Two: Insurance Requirements and Provisions

1. General Liability Insurance. The American Canyon Arts Foundation (ACAF) will purchase and keep in force general liability insurance. The basic elements of the policy should include the following:
 - a. *Minimum* coverage of \$2 million per occurrence;

- b. The policy should be based on “occurrence” rather than “claims made;” meaning that it doesn’t matter if the incident leading to a claim is reported years after the policy period.
 - c. Because there can be a long gap or “tail” between a claim and its reporting, insurance policies shall be kept as a permanent ACAF record.
 - d. The Company providing the insurance (in contrast to the Insurance broker handling the policy for ACAF) should be well established, and financially secure, with an A.M. Best rating of at least B++ or B+ (Good) [A.M. Best is a rating company, similar to Standard & Poor, that evaluates the fiscal strength and ability of insurance companies to pay claims].
 - e. The policy should include a list of businesses or groups that need to be an “Additional Insured” on ACAF’s policy, as it relates to ongoing programs or events that require it. Usually this is done when ACAF needs to use someone else’s facility, or ACAF is co-sponsoring an event and it is offering its insurance to cover the event.
 - f. The Board may make exceptions to these guidelines, based on availability of coverage, financial considerations and the likelihood of risks.
2. Directors & Officers (D&O) Insurance. This insurance covers any lawsuit brought against ACAF for the allegedly wrongful acts of its Board of Directors. Part of the advantage of this insurance is that it will also cover the legal costs associated with defending against the lawsuit.
 - a. ACAF should purchase D&O Insurance. However, the California Corporation Code, Section 5231-33, limits the personal liability of a Board of Director, provided the Director performs in good faith, and is not otherwise conflicted.
 - b. Given this legal protection afforded to Directors of Nonprofit Corporations, the Board may elect to not purchase D&O insurance, provided it makes a finding that it cannot afford to do so at the time it makes that decision. Each year, the Board must take a similar action, until the insurance policy is purchased.
 3. Other Types of Insurance. Other forms of insurance, particularly relating to employment (worker’s compensation, unemployment insurance, health care, etc.), will be considered if and when it is required. Another type of coverage to consider involves the use of private vehicles for the Foundation’s purposes. Thus, if a member is involved in an accident in their own vehicle while acting on behalf of the Foundation, our insurance could be used to cover a portion of the costs.
 4. Purchasing Insurance. Insurance premiums are a major administrative cost for ACAF. The Board should solicit proposals from various brokers, including Associations that use their collective strength to secure the best prices (for example, the California Association of Nonprofits). All other things being equal, relying on local brokers is preferred. Every 3-5 years, the Board should solicit proposals for insurance coverage, to make sure it is getting the best price and coverage.

Section Three: Basic Safety Policy

Mitigating risks is the most practical approach to risk management, and ensuring a safe environment is the best way to keep risks down. Safety needs to play a major role in any ACAF program, service or event, to avoid harm to members, volunteers and the general public. Even though we are not required to

comply with the State's Injury & Illness Prevention Program, elements of that program should be considered and implemented to the extent practical.

Section Four: Safety Program

1. Specific Safety Policies. Policies should be developed to cover basic safety issues, such as lifting and carrying heavy objects; trips and falls, general office safety; and safety precautions during Foundation events. This may be accomplished by simply including relevant information from the Internet assembled into a single document or folder:
2. Communications. Safety talks should be periodically included as an agenda item for Board meetings, as well as before any ACAF event is held. Sample topics include the following:
 - Lifting and carrying heavy objects
 - Trips & Falls
 - General Office Safety
 - Use of ladders and other basic maintenance equipment
 - Proper use and adjustment of office chairs and other office equipment
 - Electrical Safety hazards
 - Use of potentially hazardous cleaning chemicals or other chemicals that may be used in painting, photography, or other artistic endeavors
 - Safety considerations in inclement weather
3. Inspections. On a regular basis, ACAF facilities need to be inspected for any potential safety hazards, such as trips and falls, electrical hazards, broken equipment, or excessive clutter. Such hazards need to be addressed, either by removing/repairing the problem, or if it is a financial hardship, at least provide signage or other means of warning about the potential problem. Emergency evacuation plans should be prepared and reviewed on a regular basis. Appropriate fire safety equipment, such as fire extinguishers and smoke detectors, should be used.
4. Reporting and Investigations. Whenever an accident occurs, it should be reported to the person in charge, such as the Board President or Program Chair (if it occurs during an ACAF event). The incident should be investigated, and a written report should be prepared, that covers what happened; what steps were taken to provide care for the individual and/or to secure the site; and then what can be done in the future to avoid similar situations. Depending upon the severity of the incident, it should also be reported to ACAF's insurance provider.

Section Five: Specific Safety Guidelines

1. Use of Private Vehicles: Members must provide proof of insurance, on an annual basis, if their vehicle is used for the Foundation's activities, such as transporting ACAF equipment or artwork. This does not include incidental use of a personal vehicle, such as driving to and from an event site or ACAF facility.

Members are eligible for mileage reimbursement at the current IRS Charitable Mileage Rate (in 2021, that was 14 cents per mile).

2. Independent Contractors: A written agreement will be used with any individual performing paid services for the Foundation. The Agreement will define the terms and conditions associated with the services provided, including the scope of work to be performed, compensation and any

insurance requirements. The agreement should be signed by the contractor and the Foundation President.

Any contractor, such as an Art Instructor, that works with children under 18 shall obtain an acceptable Criminal Background Check (eg, LiveScan) prior to starting the contracted work. Reimbursement for the background check may be included in the Independent Contractor Agreement.

Attachments:

1. Accident Reporting form, which may be modified from time to time.
2. Standard template for an Independent Contractor Agreement, which may be modified from time to time.



American Canyon Arts Foundation Accident Reporting Form

Date Incident Occurred	Time:
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Location:

Describe what happened (be specific):

Witness Name	Contact Info/Phone Number
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Witness Name	Contact Info/Phone Number
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Additional Witnesses

Factors Involved (Check one or both, and explain)

Unsafe Act:

Unsafe Condition:

What Corrective Actions were immediately taken, if any?

Recommendation(s) to avoid future incidents.

Complete for each injured person: Additional injured persons

Name	Address/City/ST/Zip
Phone Number(s)	

Nature of injury:	Affected body part(s):
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<p>Status of the injured person:</p> <p><input type="checkbox"/> Volunteer/Employee</p> <p><input type="checkbox"/> Artist/Client</p> <p><input type="checkbox"/> Visitor/Audience Member</p> <p><input type="checkbox"/> Other _____</p>	<p>Apparent Severity of the injury:</p> <p><input type="checkbox"/> Minor (first aid only)</p> <p><input type="checkbox"/> Taken to doctor/hospital</p> <p><input type="checkbox"/> Potentially Severe and disabling</p> <p><input type="checkbox"/> Fatality</p>
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Medical Treatment provided by:	Comments/Additional information:
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Person completing this form/date	Contact Email/Phone Number
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Reviewed by/date:

Independent Contractor Agreement

This independent Contractor Agreement (Agreement) is entered into this ____ day of _____, 20__, by and between **American Canyon Arts Foundation (Corporation)** and _____ (Contractor), an independent contractor, in consideration of the mutual promises made herein, as follows:

Term of Agreement

This Agreement will become effective on the _____ day of _____, 20__, and will continue in effect until _____, 20__.

Services to be Rendered by Contractor

Contractor agrees to provide the following services:

Method of Performing Services:

Contractor will determine the method, details, and means of performing the above-described services, including the determination of the need for and hiring of assistants at the Contractor's own expense. The Corporation may not control, direct or otherwise supervise Contractor's assistants or employees in the performance of those services.

Compensation:

In consideration for the services to be performed by Contractor, Corporation agrees to pay Contractor the sum of _____ dollars (\$_____), upon completion of the work to be performed, except as follows: _____

Tools and Instruments:

Contractor will supply all tools, equipment and supplies required to perform the services under this Agreement, except as follows: _____

Worker's Compensation:

Contractor agrees to provide worker's compensation insurance for Contractor's employees and agents and agrees to hold harmless and indemnify Corporation for any and all claims arising out of any injury, disability, or death of any of Contractor's employees or agents.

Insurance:

Contractor agrees to maintain a policy of insurance in the minimum amount of _____ Dollars (\$_____) to cover any negligent acts committed by Contractor or Contractor's employees or agents during the performance of any duties under this Agreement. Contractor further agrees to hold Corporation free and harmless from any and all claims arising from any such negligent act or omission.

Obligations of Corporation:

Corporation agrees to meet the terms of all reasonable requests of Contractor necessary to the performance of Contractor's duties under this Agreement.

Assignment:

Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Corporation or Contractor without the prior written consent of Contractor and Corporation.

Termination of Agreement:

Notwithstanding any other provision of this Agreement, either party hereto may terminate this Agreement at any time by giving ____ days written notice to the other party.

General Provisions

Notices:

Any notices to be given hereunder by either party to the other may be made either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Notice may also be given by Electronic Mail (E-Mail). Mailed or E-Mailed notices shall be addressed to the parties at the following addresses:

Corporation: ACAF, 101 W. American Canyon Road, #508-163, American Canyon, CA 94503;
AmCanArts@gmail.com

Contractor:

Each party may change the above address by written notice in accordance with this paragraph. Notices delivered personally or by E-Mail shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of three (3) days after the date of mailing.

Entire Agreement:

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the performance of services by Contractor for Corporation and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

Partial Invalidity:

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Corporation, by _____

Date: _____

Contractor, by _____

Date: _____