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Guidelines for Outside Users of Your Facilities

Religious organizations are frequently faced with requests from outside groups to use their facilities. It can be a challenge for religious organizations to balance their desire to be a good neighbor in the community with the time and space demands – and legal liabilities – that come from allowing others to use their facilities.

So how should a religious organization respond to facility usage requests from outside groups? The following are some practical considerations:

1. **Set Expectations**. Develop a "Facility Usage Policy" that addresses questions such as who will be permitted to rent the facility, the costs involved, set-up and clean-up responsibilities, sales during events, behavioral expectations and childcare arrangements. For example, for tax reasons, religious organizations should consider whether to allow their premises to be used for political purposes. Similarly, religious organizations need to carefully consider to what extent they will allow the facility to be rented to for-profit enterprises. Some religious organizations have decided to limit rental of their facilities to groups and/or events that further the mission and vision of the religious organization. A discussion with legal counsel or tax professional is recommended.

   A fee schedule should be established, which should reflect fair rental value of the facilities and address related expenses, such as custodian or childcare expenses. This schedule may include a security deposit to protect against property damage.

   Responsibility for set-up and clean-up of the facility should be thought through before the event. Sales of goods or wares at events on religious organization premises raise tax considerations that should be addressed with the religious organization's tax attorney or accountant before being permitted.

   The policy should address behavioral issues, such as the religious organization's expectations regarding drinking, smoking, participants' conduct and treating the property with care. Finally, consider childcare arrangements for outside events. Some religious organizations require that the group use (and pay for) childcare providers screened and selected by the religious organization, while others allow groups to make their own childcare arrangements. There are pros and cons to each approach.

2. **Document Facility Usage Requests.** With the religious organization's policy in place, a simple facility request form should be used to gather details about the event, obtain contact information and document the process. Many religious organizations require a member to sponsor an outside group. For groups unknown to the religious organization, references from places where the group has held events in the past should be requested.

3. **Maintain an Approval Process.** A mechanism should be in place for religious organization leaders to approve or deny facility usage requests from outside groups. Approval from a body or team, rather than a single individual involved in bringing the request, is important to

provide a broader perspective on the event and to address how it relates to the religious organization's mission, as well as competing facility concerns. Informal uses of the building, which are not disclosed to religious organization leaders, can have significant safety, liability, tax or financial consequences and should be avoided. Documentation of approval or denial of the request should be maintained.

4. **Use a Facility Usage Agreement**. Once the group has been approved, confirm the event in writing and have the group sign a Facility Usage Agreement. The purpose of the agreement is several fold: It will confirm the costs involved; specify the time(s) the facility will be available to them; and set out your religious organization's expectations for the groups' use of the facilities. Most importantly, the agreement should include a release from liability, a "hold harmless" clause in which the outside group agrees to indemnify the religious organization for any injuries or damages that may occur while they are using the religious organization, and a provision regarding additional insured protection for the church.

5. **Make Sure They're Insured.** When an outside group comes in to use the religious organization's facility there's no reason to put your religious organization's insurance claims history – and potentially your insurance premiums – on the line. The other groups' insurance policy, not yours, should be at risk. To do this, check that the group has insurance coverage limits that are at least equal to or higher than the religious organization's insurance policy limits and require them to name the religious organization as an additional insured on their insurance policies. Then, follow through to have them provide proof that they have done this.

   A certificate of insurance *that lists your religious organization as an additional insured* (not just as a "certificate holder") or even better, an endorsement (change) to their policy naming the religious organization as an additional insured is evidence of insurance. A sample Certificate of Insurance with instructions on reading and understanding the certificate is included with this packet.

6. **Premises Inspection.** Prior to an outside group using the religious organization's facility, conduct an inspection of the premises, documenting any existing conditions that could possibly lead to an accident or injury to outside users. Potential areas would include slip and fall exposures and life safety concerns such as blocked hallways, exits, etc. If deficiencies are found, take necessary steps to correct them. Also, conduct a walkthrough with a representative from the outside group immediately before and after the event. This will help settle any disputes if there is any damage to the religious organization's property.

Keep Your Religious Organization Protected

In the end, the decision to deny a facility request or to require items such as a facility usage agreement or proof of insurance can be uncomfortable for a religious organization. Still, it is better for the church to be prepared on the front end than to be surprised on the back end. While it can be a good outreach opportunity for the religious organization to allow community groups to hold their functions at the church, be careful as to what types of events you allow.

Please review the following attachments on this topic:

Sample Certificate of Insurance and Instructions on Reading and Understanding

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