



OPEP- Organization of Parenting Education Programs

in Washington State Community and Technical Colleges

2013 Insurance and Risk Management

The following are not approved for cooperative preschools and **will not be covered** by the current insurance policy:

- Trampolines
- Inflatables and “bouncy houses”
- Horseback riding
- Animals, other than house pets, are not covered. Other exhibitors of animals must provide evidence of insurance i.e. Reptile Zoo exhibitor
- Incubators to hatch chicks, chicken and other fowl
- Fireworks
- Third party telemarketing, direct mail or internet advertising firms (including spam)
- Any event with greater than 500 people at any one time
- Any event lasting more than 5 days
- Rodeos
- Political rallies
- Events including contact sports
- Carnivals and fairs with mechanical rides
- Firearms
- Aircraft
- Parades sponsored by the co-op are not covered. Co-ops and members may not sign a waiver to participate in a parade. Co-op may not use motorized vehicles in parades. Participation in a parade requires prior approval of the college coordinator.

Liquor Liability is Not Covered. Cooperative preschools are not authorized to hold a Liquor License or Banquet Permit allowing service of alcoholic beverages. Cooperative preschool employees and members are not authorized to serve or sell alcoholic beverages. However, cooperative preschools may:

- Hold the event at a facility such as a community center, grange, hall, etc. and require evidence of their liquor liability and /or the caterer’s liquor liability.
- Hold the event at a restaurant, hotel, or lodge (Elks, Eagles, etc.) that routinely serves liquor during business hours.

Special events with liquor served must have prior approval from the college program coordinator and the OPEP Risk Management Committee. The co-op must provide evidence of liquor liability held by hired caterers or servers.

Swimming is only allowed at a public facility with a life guard on duty. Special Event prior approval is required by the college program coordinator.

Do Not Sign Waivers: Neither the co-op or members shall ever sign a waiver of responsibility unless authorized by the college program coordinator. i.e. Most gymnastic and bouncy house facilities will require a waiver; therefore will not be approved for fieldtrips or special events.

Outdoor Play Equipment: Landlords must agree to assume liability for installed outdoor play equipment. The co-op will be responsible for injuries sustained on outdoor equipment to children enrolled in the co-op and may not rely on the landlord's insurance.

Fiscal Controls Required: Incidents of theft or mishandling of co-op funds continues to be a serious concern for cooperative preschools. The insurance company currently providing the liability coverage requires implementation of the following Fiscal Controls. College coordinators need to be assuring fiscal controls to at cooperative preschools eligible for the insurance coverage.

- a. Two signatures must be required on each co-op check. Members of the same household cannot be co-signers of the co-op checks. Co-op employees cannot be signers of co-op checks.
- b. Cooperative preschools shall not have a debit or credit card. Identify theft and unauthorized expenditures have been tracked to use of bank cards.
- c. On-line banking which could allow for unauthorized transfers of funds and expenditures on-line should be discouraged,
- d. The monthly co-op accounts shall be reconciled with the bank statement by someone not authorized to deposit or withdraw co-op funds.
- e. College Coordinators should be using the practices from the OPEP Treasurers Handbook
- f. College Coordinators must require an annual financial review for each co-op. The financial review may be performed by a past treasurer or college staff.

Liability & Compensation: Officers and board members should not be compensated or have a reduced tuition.

A federal statute entitled Volunteer Protection Act of 1997 (the Volunteer Act) may also provide some protection to directors and officers of nonprofit corporations. This statute, which took effect in September 1997, provides immunity from personal liability to volunteers, including unpaid directors and officers, working for nonprofit corporations.....a person is considered a volunteer if he or she performs services for and organization without the expectation of or receipt of compensation for his or her services. (p 48 & 151 Washington Nonprofit Handbook)

IRS Form 990 has extensive reporting requirements and requests thorough and complete information about an organization's compensation arrangements, as well as possible conflict of interest for officers and others. Section 501 (c) (3) contains excess benefits rules which bar board members from profiting from their positions within a nonprofit organization.

(Note: other state and federal regulations also apply to reporting and compensation of board members)

Fund Raising Raffles have very specific regulations and will differ depending on if tickets are sold to non-members. When cooperative preschools consider holding a raffle they are advised to review regulations with the Washington State Gambling Commission – unlicensed gambling activities for charitable/nonprofit organizations (GC5-204b) and Raffles (GC5-165).