A Blueprint for Facility Risk Management

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Nonprofits own and operate many different kinds of facilities. Although in other business functions, risk may be less visible or apparent, the facilities we occupy are under our feet and above our heads every day. From warehouses to recreational spaces to commercial kitchens and traditional office space, the facilities that nonprofits occupy provide the infrastructure to bring a charitable or community-serving mission to life. Managing risk in facility use and operations is therefore an integral part of a holistic approach to risk management.

Your specific approach to managing facility risks will vary depending on the size and scope of your facilities. A nonprofit that leases space for an office occupied by a handful of staff may share responsibilities among the staff and rely on the landlord in the process. A larger nonprofit with multiple types of facilities may have a dedicated facilities manager, or perhaps a team working together on various facility issues, such as managing maintenance, expansion, and facility rentals. Consider the following topics and tips as you work to strengthen facility risk management in your nonprofit.

Facility Risks from the Stakeholder's Point of View

The most visible part of facility risk management is the day-to-day use of your buildings. Staff and volunteers need to be able to do their work, clients need access to services, and third party vendors need to be able to provide the resources necessary to support your operations. Wearing your Risk Champion hat, reflect on the types of issues that could impair operations for each group of stakeholders. For example:

- **Staff and volunteers** – The primary concern of paid and volunteer staff may be their workspace. Environmental components like poor lighting, an uncomfortable chair or an office that is cold and drafty can all have detrimental effects on productivity. Conversely, ensuring that your staff and volunteers are comfortable and are using appropriate equipment can enhance their ability to get work done.
- **Clients, consumers and customers** – These people are the heart of your nonprofit's mission, so consider the elements of your facilities that help or hinder the people you serve. For example, parking or access to public transportation may be an issue for your clients. Address this issue proactively when you choose a location for your office, or if your space is set in stone, consider designating specific parking spaces for client use only. Addressing other facility-related issues that affect clients might require coordination between your facilities team and other departments.
- **Third party vendors and contractors** – Contractors often provide valuable support to a nonprofit, providing unique external perspectives and sharing their expertise with internal teams. Third parties may be responsible for specific facility management tasks ranging from housekeeping to food service, or

facility management overall. Understanding and—when appropriate—accommodating the facility-related needs of your vendors and contractors reduces the likelihood that contractors will be stymied in their efforts to support your mission.

Considering facility risks from the perspectives of your stakeholders is crucial, and you can solicit more actionable information by asking these groups to participate in facility risk management. Convey to all your nonprofit's stakeholders that they can participate in your efforts by helping to identify and report hazards and other concerns about the workplace. No hazard should go unreported; even if a team member is unsure whether a hazard truly exists or is significant, those concerns should be reported without hesitation. Although there may be a designated person or team responsible for *leading* facility risk management, a commitment to facility risk awareness and risk reporting should be embraced and embodied organization-wide.

Facility Risks from the Physical Perspective

Various facility risks may emerge according to the type of user in the facility. However, the physical aspects of a facility are also important to consider, no matter who plans to visit your property.

- **Environment** – Internal and external environmental conditions can create or exacerbate risks to your organization. For example, lighting and weather are environmental factors that warrant careful consideration. Lighting is an issue both inside and outside of the facility; incidents—including injuries and abuse—may be more prevalent in spaces that are improperly lit. Weather can also put your stakeholders and facilities in jeopardy. In the summer, extreme heat can tax the electrical and cooling systems of your facility. Are you prepared with a contingency plan for a scorching summer power outage? Extreme weather often causes a ripple effect of subsequent consequences and facility damage. For example, an overtaxed air conditioning unit might leak water into your facility, quickly creating a moisture and mold hazard that is difficult to remedy and poses health risks to your staff and clients. Even seemingly simple environmental features like landscaping should be carefully monitored. Overgrown vegetation can provide cover for an unauthorized intruder. A dead overhanging tree branch could fall and injure an unsuspecting passerby. And don't forget an often-overlooked hazard: ergonomic hazards like worn down or ill-fitting office furniture that can cause injuries related to repetitive use and stress. Whether it's wicked weather, a cracked sidewalk, or boxes blocking an emergency exit, a keen awareness of environmental conditions and accountability for remedying these conditions will keep environmental risks at bay.
- **Equipment** – There are three key considerations for managing equipment properly: equipment use, storage, and maintenance. Using specialized heavy equipment like power tools or forklifts requires care and an understanding of operation guidelines and potential safety hazards. Use of heavy machinery, chemicals, and other potentially hazardous equipment might also warrant the use of personal protective equipment (e.g., gloves, goggles, helmets, etc.) by any team members who come in contact with these materials. Between uses, store all equipment properly; consider a wide range of injuries and incidents possible related to storage mishaps. Could a young volunteer suffer a chemical burn if strong chemical cleaners are kept in an unlocked cabinet? Could a staff member suffer a back injury if heavy equipment is placed on a high shelf? Also commit to maintaining and inspecting your equipment—both during use and while in storage. Regularly inspect your equipment and storage conditions, and keep records of inspections and any recommended and completed maintenance actions. For example, look for specific equipment malfunctions like a frayed electrical cord or a leaky sink, but also test the functionality of facility-wide systems such as smoke detectors, fire alarms and fire suppression systems like sprinklers. Vigilance in safe equipment use, storage and maintenance will help prevent workplace injuries that should never have the chance to occur. Encourage your team members to promote a shared culture of safety and accountability for proper handling of equipment; if you see something, say something—even if you have to tell your own boss to put her protective goggles on.
- **Access** – Consider how people access your facility and its various parts as well as how they can move around the facility. Access to your facility will depend greatly on the mission of the organization as well as the populations served. Options for physically controlling public access to your facility may range from simply using a locked door, to more elaborate controls like gated entryways, check-in desks staffed by security personnel, visitor logs, and identification badges used by your personnel and your visitors. In addition to controlling general access, limiting access to specific areas of your facility may also be necessary. For example, a nonprofit team dedicated to youth programming might want to limit youth access to certain parts of the building, and also control who has access to young visitors during programming times. Controlling access to information—including IT infrastructure and stored data and files—is another critical component of facility access. Broadly speaking, define your approach to facility

access by evaluating the layout, condition, and usage of the entry, egress and transition points of your buildings.

Your facility might include mission-specific areas that are subject to unique considerations and regulations. For example, playgrounds and pools are two common recreational facilities that require special attention. Organizations that deal with food storage, preparation and delivery will have to address requirements related to public health concerns. Be aware that modifying the services provided by your organization can subsequently create different facility demands and related risks.

Ultimately, your approach to the physical aspects of facility risk management will be dictated by the facility itself. In many cases, you won't have much choice about your facility. It may be a building that the organization has occupied for some time and has adapted to carry out your mission. In this case, you will need to consider practical modifications that can be enacted to address the risks posed by the facility, in relation to the activities that take place in that facility and the people participating in the activities. Nonprofit teams should strive to strike a balance between managing risks, investing resources, and accepting the physical limitations of the facility.

In the future, you may have the opportunity to seek out a more appropriate facility for your nonprofit's needs. Whether looking for a new existing facility or building one from scratch, it is critical to consider stakeholder needs and physical elements described above in the facility search or design process. Having a thorough understanding of your current operations and anticipating future facility demands will save time and financial resources down the road as your organization occupies a new facility.

Compliance Requirements

Ensuring that day-to-day operations go smoothly is a top-of-mind concern in facility risk management, but compliance and safety issues should be priorities as well.

The commitment to compliance begins with understanding the various federal, state, and local laws and regulations that apply to the type of facilities owned and used by your nonprofit. The Occupational Safety and Health Act (OSH Act) and the Americans with Disabilities Act (ADA) are two examples of complex laws with associated regulations that affect facility risk management.

- The OSH Act is the primary law governing occupational health and safety in both the private sector and federal government. OSHA—the Occupational Health and Safety Administration—is the agency that administers the OSH Act. Various issues arise when considering OSHA regulations and requirements. For example, there are standards governing access to and egress from the building, particularly in emergency situations. Other guidelines focus on environmental concerns like sound and temperature.
- ADA regulations guide access to and use of your facility. Title III of the ADA prohibits discrimination on the basis of disability in the activities of places of public accommodation. Your nonprofit is a place of public accommodation if it falls into one of 12 categories listed in the ADA. These categories include: schools, day care facilities, recreation facilities and doctors' offices, among others (see ada.gov/ada_title_III.htm). Newly constructed or altered places of public accommodation generally must comply with Title III of the ADA.

These are only two examples of applicable laws and guidelines; conduct research or consult experts to ensure that your team is aware of legislation associated with facility access and safety. As indicated earlier, your organization may have mission-specific facilities whose use is subject to regulation.

Your insurance coverage might also dictate particular safety efforts necessary to maintaining coverage for property and other physical assets. Communicate regularly with your insurance carrier and broker to ensure that you understand and can comply with any facility-related requirements.

Seeing the Bigger Picture

For additional insights on facility risk and safety, we reached out to Michael Gurtler, Managing Partner & Senior Consultant at Safe-Wise Consulting. Mike has worked with youth-serving organizations for over 30 years and has been an expert resource to NRMC throughout our history.

NRMC: What are the most commonly overlooked practices in facility risk management?

MG: *Nonprofits often struggle with planned replacement and often defer things due to budgetary constraints, which can increase costs in the long run. Regular preventative maintenance often gets overlooked, leading to consequences such as water damage and other property claims. Slips and falls are the most common cause of injuries among clients and staff. These injuries are often related to the failure to properly plan for weather effects (water, snow & ice), which can cause slippery surfaces. Poor lighting and damaged flooring, carpet, or transition areas can also lead to injuries. Untrained (or not regularly reoriented) staff can easily suffer injuries.*

NRMC: What strategies do you suggest to engage stakeholders (e.g., staff, clients, vendors, contractors) in supporting and contributing to facility risk management?

MG: *The best way to engage people is to communicate your plan and prevention strategies to them; make them part of the solution to managing risks. Don't stop there. Make sure your stakeholders know how things are going, get credit for a job well done, and know when it's time to change or adapt the plan.*

Facility risk is most visible and apparent at the operational level; it is easy to see how a broken handrail or a slippery floor could potentially cause injury. However, it is also important to consider how facility risk management issues intersect with other risk management issues faced by your organization. Facility risk management is an easy discipline to approach but a complex one to master. Addressing facility risks in a thoughtful, systematized manner can help ensure that your facilities truly facilitate the mission and programs of your nonprofit.

Eric Henkel is a former Project Manager at the Nonprofit Risk Management Center.

Resources:

- **Consumer Product Safety Commission**: cpsc.gov/ – covers information related to specific equipment as well as general guidelines covering things like pools and playgrounds.
- **Safe-Wise Consulting:** http://safe-wise.com/ – provides facility-related safety information and consulting support
- **Occupational Safety and Health Administration**: osha.gov/ – addresses worker safety guidelines and regulations
- **Americans with Disabilities Act**: ada.gov/ – gives information on law and regulations and provides design standards to ensure compliance