Lending Church Facilities: Facility Use Agreements

How to protect your ministry while putting out the welcome mat

Exercise groups, election boards, Alcoholics Anonymous, and other worthwhile organizations may ask to use your building for meetings or other events. Before saying “Sure!” consider how you will protect your ministry from liability for related damages or injuries.

During a step aerobics class that meets at your church, a woman trips over some exercise equipment and falls, breaking her wrist. You're sorry that the woman was injured, but you believe that the woman or the class sponsor should pay her medical bills. Unfortunately, unless steps are taken ahead of time, there is little to prevent her from suing your ministry for payment.

Such lawsuits are costly, time-consuming, and emotionally draining. They can damage your ministry's reputation, even if you had nothing to do with the event in question. They also may be preventable.

The key issue with loaning or renting church buildings to outside organizations is that your church can be held liable for accidents or injuries, even if you weren't the event sponsor. It's easy to assume that the group and its members would be accountable for their own actions, but often they aren't. As the property owner, you could ultimately be held responsible.

So how can you protect your ministry while lending your building to the community?

Make Groups Assume Liability

To limit the liability your church assumes, require all groups borrowing or renting your facilities to sign a Facilities Use Agreement (/resources/safety-library/risk-management-forms/facilities-use-agreement/). Ideally, an agreement would contain language requiring the group to:
• Obtain liability insurance with coverage limits that equal or exceed your church policy's limits (Ex.: $5,000 medical payments and $1 million liability).
• Name your church as an additional insured on its policy for any liability damages arising from its activities on your property. Note: Being named a certificate holder doesn’t provide any protection.
• Indemnify, defend, and hold your church harmless for any liability claim arising from the group's activities on your property.
• Provide a certificate of insurance showing that your church has become an additional insured on the group's insurance policy.

Make sure that any agreement you use is reviewed and approved by a local attorney, since laws vary by state. If you don't obtain a building use agreement and an injured person sues the church, your legal position will not be as strong.

Correct Known Defects

A building use agreement is only part of the equation. Another key factor in limiting liability is to keep your facilities in safe operating condition. If someone falls down the stairs because your handrail is loose, the blame is likely to fall squarely on the church.

You'll also want to make sure that guests can evacuate quickly in the event of an emergency. This means:

• Exits are clearly marked
• Emergency lights are installed, especially on below-grade floors
• Exit routes are clear of obstacles
• Exit doors are unlocked or equipped with panic bars

To reduce the likelihood of trips and falls, you'll want to:

• Remove extension cords from walkways
• Mark changes in elevation, such as steps or ramps
• Install handrails on stairways with three steps or more
• Repair uneven or broken steps
• Replace worn or torn carpeting
• Use non-slip floor treatments
• Avoid throw rugs at the base or top of stairs
• Illuminate parking lots
• Repair potholes
• Clear snow and ice from sidewalks and parking lots

Contact your agent if you have any questions about the safety of your building. He or she may have some useful suggestions.

Provide Guidelines, Emergency Information
Guests will be unfamiliar with your building, so they may not know how to find the nearest exit or a telephone if an emergency arises. They might not even know the ministry's name or address—crucial details for first responders in the event of an emergency. Before allowing a new group to use your building, provide a packet of information that a person would reasonably need to know about your facility. It should include at least the following:

- Church's name and street address
- Building map, with exit routes marked
- Rules for guests to follow
- Emergency contact numbers for church leaders
- Emergency phone numbers for first responders

You may want to arrange to have a church representative present when outside groups use the building. This person can help ensure that ministry property is protected and could be a valuable resource during an emergency.

Secure Ministry Property

Ministry items could be damaged or stolen while the building is open for other groups' events. If you haven't taken steps to secure valuables, your ministry may bear the cost of replacing missing items.

Take the following steps to ensure that your church is properly secured while lending the building to outside groups:

- **Lock the doors** of interior offices, classrooms, and supply rooms when not in use.
- **Restrict access** to unused parts of the building. If you cannot control access otherwise, consider installing collapsible metal gates that bolt to walls, such as those you find in schools.
- **Retain keys and security codes.** Ask a church representative to open the church building for guests and secure it when they leave. Once you give out a key or security code, you cannot control its use—or replication.
- **Monitor the building.** A church member who patrols the building can verify that people are where they should be and can call for assistance in an emergency.
- **Use a safe** for petty cash, small valuables, keys, and important documents.
- **Secure larger valuables,** such as laptop computers, DVD players, and musical equipment.
- **Eliminate signs** in the building that advertise cash, such as “Finance Office” or “Donation Receipts.”
- **Keep an inventory** of your organization's property. This will help you tell quickly if something is missing, establish proper insurance protection, and promote a faster recovery after a theft.

“In the course of dealing with a loss, many churches have admitted they were probably too trusting,” said Peter Kujak, a senior claims adjuster for Brotherhood Mutual. “They didn't assume there was a risk from those who came through the doors. They realized too
late the need to control access to their building and to lock up valuable items.”

Agreements Make Good Neighbors

Once you've developed a building use agreement, corrected known defects, and decided how to secure church property while others are using the building, it's time to extend a warm welcome to those groups you desire to host.

For those groups already using the building, explain that you are requiring building use agreements to better define which organization would be responsible in case of injury or accident. Then, ask them to complete your new agreement. Most groups should have no problem accepting responsibility for any loss arising from their activities. In fact, they may have assumed that responsibility was theirs from the beginning.

Download Our Lending Church Facilities Checklist (/Resources/Safety-Library/Risk-Management-Forms/Lending-Ministry-Facilities-Checklist/)
Facilities Use Agreement

This agreement by and between ___________________________ ("Owner"), and ___________________________ ("User"),

will take effect on the ___ day of ___ and will continue for a period of ___.

WHEREAS, Owner owns premises located at ___________________________ and will continue for a period of ___________________________,

which is normally used for ___________________________, and ___________________________.

WHEREAS, User desires to use the ___________________________ area of the facilities for the

purpose of ___________________________, and ___________________________.

WHEREAS, Owner has agreed to allow User to use the facilities provided that the following terms and conditions are met.

It is Therefore Agreed By and Between the Parties:

1. Owner agrees to let User use the above described premises for the above described purpose on

_________________________.

Describe times and days of usage

Name and Owner's contact person

is the contact person for Owner and ___________________________.

Name of User's contact person

is the contact person for User to coordinate the details of usage.

2. □ Fee Agreement. User agrees to pay Owner ___________________________ for the use of the premises.

□ Non-Fee Agreement. In consideration for the benefit of using Owner's facilities, User agrees to abide by all the terms and conditions of use described in this agreement.

3. User agrees that it will not use the premises for any unlawful purposes, and will obey all laws, rules, and regulations of all governmental authorities while using the above described facilities.

4. User agrees that it will not use the premises for any purpose that is contrary to the mission, purpose or belief of the Owner, which is a biblically-based religious institution.

5. User agrees to abide by any rules or regulations for the use of the premises that are attached to this agreement.

6. □ Organizational Users. User promises and warrants that it carries liability insurance with a minimum liability occurrence limit of $1,000,000. The User will provide a certificate of insurance to the Owner at least seven days prior to the date upon which the User begins to use the above described premises. The certificate of insurance will indicate that User has made Owner an "additional insured" on User's policy with respect to the use by User of the above described premises.

□ Individual Users. User promises and warrants that User will obtain signed Activity Participation Agreements (either provided by or acceptable to Owner) from each participant in the activity. If the participants are minors, User will obtain the signature of at least one parent or legal guardian on each Activity Participation Agreement.

This is a sample document only. Your organization is responsible for compliance with all applicable laws. Accordingly, this form should not be used or adopted by your organization without first being reviewed and approved by an attorney. Brotherhood Mutual Insurance Company assumes no liability in the preparation and distribution of this sample form.

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7. User agrees to hold harmless, indemnify and defend Owner (including Owner's agents, employees, and representatives) from any and all liability for injury or damage including, but not limited to, bodily injury, personal injury, emotional injury, or property damage which may result from any person using the above described premises, its entrances and exits, and surrounding areas, for User's purposes, regardless of whether such injury or damage results from the negligence of the Owner (including Owner's agents, employees and representatives) or otherwise.

8. User agrees to be responsible for preparing for use and returning to the pre-use condition all areas of the premises which User will use, including entrances and exits.

9. User agrees to conduct a visual inspection of the premises, including entrances and exits, prior to each use, and warrants that the premises will be used only if it is in a safe condition.

10. This agreement may be cancelled unilaterally by either party with 14 days written notice to the other party.

10.5 In the event that Owner must cancel this agreement, User will be entitled to any deposit User has paid. However, in no event will Owner be liable to User for any lost profits or incidental, indirect, special, or consequential damages arising out of User's inability to use the above described premises, even if Owner has been advised of the possibility of such damages.

11. User agrees that it will not assign any of its rights under this agreement, and any such assignment will void this agreement at the sole option of the Owner.

12. Owner and User agree that any disputes arising under this agreement will be resolved via a mutually acceptable alternative dispute resolution process. If Owner and User cannot mutually agree upon such a process, the dispute will be submitted to a three-member arbitration panel of the American Arbitration Association for final resolution.

13. This document contains the entire agreement of the parties and supersedes all prior written or oral agreements relating to the subject matter.

Dated this ______ day of ________ ________.

day  month  year

Owner

Signer's Name

Position with Owner (title)

User

Signer's Name

Position with User (title)