

RISK MANAGEMENT/RISK REDUCTION

4-H Program Management Domain

This resource contains general guidelines and best practices for risk management. All states will have their own rules and procedures. It is your responsibility to check with your state for your best practices and specific operating procedures.

Risk management is the process of identifying, assessing, and controlling threats to protect assets and reduce the likelihood of adverse outcomes. Risk management involves 4-H clubs or groups working together to anticipate possible risks and identifying ways to manage them.

Risk management training is essential for adults who are providing responsible and reasonable care for the youth involved in 4-H programs. Risk management policies and procedures are designed to assist adults chaperoning youth in handling accidents, illnesses, and emergencies. Though risk management training and policies are different for each state, most 4-H volunteers should have essential contact information available, know and follow the rules, and be able to take charge in any emergency or risk situation. Volunteers should also know when to not engage in different activities if the risk is exceptionally high.

Risk is the uncertainty about a future event that threatens your organization's ability to accomplish its mission. It is the many unexpected things that can happen to members, parents, spectators, properties, resources, and the reputation of 4-H. With any risk, there is exposure to danger. It could be something simple like the risk of cutting oneself while cutting paper for an art

project or as severe as getting stuck in a canoe during heavy and unexpected rainfall. The different types of risk and levels of severity are why adults should be trained for different situations.

Risk Categories include the sources of risk that an organization has experienced.

These categories of risk can include:

- **Income** – loss of donors, grants, or other funding source; loss from budget cuts, low event participation, contract cancellation, or weather-related disasters
- **Goodwill** – loss of credibility or program reputation
- **People** – injury or damage to staff, volunteers, clientele, and donors
- **Property** – damage from natural disasters or human carelessness

Risk reduction is the process used to protect assets by minimizing the potential for adverse outcomes. Managing risk involves identifying, assessing, and controlling threats to protect assets and reduce the likelihood of adverse effects. Risk management involves 4-H clubs and groups working proactively to anticipate possible risks and identify ways to manage or avoid potential risks.

According to Harvey¹, there are five critical steps to the **Risk Management Process**:

1. **Identify possible risks** – What risks are the organization or program exposed to internally and externally?
2. **Evaluate those risks** - What is the frequency and severity of the risk?



VOLUNTEER

Research Knowledge Competency

How many different program functions could the risk impact?

3. **Develop a risk management strategy** – What can you do to address the risk (reduce, transfer, avoid, or assume)?
4. **Implement the risk management strategy**- It's time to hold your program or event!
5. **Monitor** – Not all risks can be eliminated. Continue to monitor the activity and implement changes as needed.

Ways to Manage Risk

When developing and implementing a risk management strategy, there are four strategies you can do to address risk:

- **Reduce:** Minimizing the potential for risk by gaining greater control of variables in an activity or event. Examples could be modifying the program or facility, such as adding a fence to separate the attendees from animals in a show ring, incorporating a new volunteer training, increasing the number of chaperones or volunteers, or adding equipment.
- **Transfer:** Shifting all or part of a risk to another party. Insurance is the most common method of risk transfer, but there are other means, such as creating a liability waiver, employing a transportation service, or using a caterer. Examples are renting a bus instead of using personal vehicles or holding a meeting in a public place instead of your home. Check with your 4-H program for insurance requirements.
- **Avoid:** Taking steps to remove a hazard by engaging in an alternative less-risky activity. Examples could be delaying the event until you are adequately prepared, replacing one activity with another, or discontinuing a high-risk event.
- **Assume:** Deciding to take on the risk. An example is to decide all necessary precautions have been taken and then going ahead with conducting the event.

Reference

¹Harvey, G. E. (2012). The process of risk management: Important steps to take. *Petroleum Accounting and Financial Management Journal*, 31(1), 77–86.

The original resource 4-H Program Management: Risk Management/Risk Reduction (VRKC: Volunteer Research, Knowledge, & Competency Taxonomy) was developed by Sue Pleskac.

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