**Employees Activities in Outside Organizations Letter, LMC Model Form**

*Helpful background information on this model may be found in the information memo* [“*LMCIT Liability Coverage Guide*](https://www.lmc.org/resources/lmcit-liability-coverage-guide/),” *Section III-D, Employees’ activities in outside organizations.*

**This icon marks places where the city must customize the model. The model offers additional provisions, optional language, and comments for your consideration. The icon, and language you do not wish to include, should be deleted from this model before use. Make other changes, as needed, to customize the model for your city.**

**Version 1 - “NOT WITHIN SCOPE OF DUTIES” LETTER**

*This sample letter can be used in situations where the city has determined that because of the organization’s purposes, goals, and activities, the city does not consider participation in the organization to be within the course and scope of the employee’s duties as a city employee.*

Date

Dear *[employee name],*

This letter concerns your activities in the *[name of organization]*. The city council has determined that participation in this organization is not considered part of your duties as an employee of the City of *[name of city].*

You are, of course, free to continue participating in this organization if you choose. If you do, however, it is important to understand that neither the city nor the city’s liability carrier would cover you if you were sued because of your membership in this organization or your activities as a member of this organization. You would also not be covered under the city’s workers’ compensation coverage if you were injured while engaged in activities of the organization.

If such a claim were to occur, you would need to look either to the organization and its liability insurer or to your own personal liability insurance for coverage. Before deciding whether to participate in the organization, you may wish to check whether the organization has liability insurance to protect you for your activities in the organization, and if so what type and amount of insurance they have. You may also want to check with your own personal insurance company as to whether it would provide coverage for claims arising from your activities as a member of the organization.

Sincerely,

**Version 2 - “NOT WITHIN SCOPE OF DUTIES” LETTER**

*This sample letter can be used in situations where the city has decided that participation in the organization will not be considered part of the employee’s duties as a city employee because the organization has either no or inadequate liability insurance, even though the organization’s purposes, goals, and activities may be beneficial to the city.*

*[Date]*

Dear *[employee name],*

This letter concerns your activities in the *[name of organization]*. The city council has determined because the organization does not carry adequate liability insurance protection, participation in this organization will not be considered part of your duties as an employee of the City of *[name of city].*

You are, of course, free to continue participating in this organization if you choose. If you do, however, it is important to understand that neither the city nor the city’s liability carrier would cover you if you were sued because of your membership in this organization or your activities as a member of this organization. You would also not be covered under the city’s workers’ compensation coverage if you were injured while engaged in activities of the organization.

Since the organization does not appear to have liability insurance, you would likely need to look to your own personal liability insurance for coverage if such a claim occurred. Before deciding whether to participate in the organization, you may also want to check with your own insurance company as to whether it would provide coverage for claims arising from your activities as a member of the organization.

Because the city’s decision is based on our understanding the organization does not have adequate liability insurance, you may wish to discuss this point with the board and officers of the organization and encourage them to address the organization’s liability risks. If the organization were to acquire appropriate liability insurance, the city may be willing to reconsider its determination.

The Non-Profit Risk Management Center (<http://www.nonprofitrisk.org/>) has a great deal of information about liability risks and coverage for non-profit organizations, including a list of insurers that offer this coverage. In some cases, organizations that serve a municipal purpose may be eligible for coverage through the League of Minnesota Cities Insurance Trust.

Sincerely,

**Version 3 - “WITHIN SCOPE OF DUTIES” LETTER**

*This sample letter can be used in situations where the city has determined participation in the organization is considered within the course and scope of the employee’s duties as a city employee.*

***Note:*** *Before making the determination that participation in the organization will be considered part of the employee’s city duties, the city should make sure that either 1) the organization has in place adequate liability insurance to protect the employee for claims arising from his/her activities in the organization; or 2) the city is comfortable assuming that risk.*

*There is only limited coverage for these claims under the city’s LMCIT liability coverage, and the city is required by statute to defend and indemnify its officers and employees for claims arising from activities within the course and scope of their city duties.*

*[Date]*

Dear *[employee name],*

This letter concerns your activities in the *[name of organization]*. The city council has determined that participation in this organization is considered part of your duties as an employee of the City of *[name of city].*

Time spent attending meetings or activities of the organization, including travel to and from organization activities, will be considered paid work time, unless the activity is primarily social in nature. Any activities in an outside organization, other than primarily social functions, must be scheduled and approved in advance by your supervisor.\*

Sincerely,

\* *It may be appropriate to address the issue of pay, time reporting, etc. in this letter. However, each city will need to modify this paragraph to reflect its own pay and time reporting policies and requirements. Those policies may be different for FLSA-exempt and FLSA-non-exempt employees, so the city may need to develop different versions for each.*