

## **Claim scenarios**

### **Funding Body:**

Grant funding provided to child care charity for creation of children's play areas. Works were carried out by a contractor however, funding had been granted expressly to create employment. As no new job was created the funder required that grant funds be repaid. Trustees potentially liable for full amount of grant.

### **Acting out with authority:**

A director of a charity appointed a firm of website designers to create a charity's website. The director was not authorised to enter into the contract and the charity then cancelled the contract. The director was held liable for the web designer's costs for work carried out.

### **Employment Practice Liability:**

An employee of a charity agreed to resign rather than face disciplinary proceedings and possible dismissal. When the employee found alternative employment the new employer requested a reference from the charity. A manager of the charity cited alleged breaches of discipline in the reference. Actions were raised against both the individual manager and against the charity.

### **Harassment:**

Alleged sexual harassment of teenager by trustee of local sports association. Possibly motivated by non-selection for team. Allegations later withdrawn and trustee exonerated but substantial defence costs incurred.

### **Slander:**

An allegation of slander was made, by a supplier, against a director of a charity. Comments were made allegedly by the director in a public domain which supposedly damaged the reputation of the supplier. A threat to take the director to court was made unless a settlement was forthcoming. Settlement was negotiated and covered under the D&O policy

### **Health & Safety:**

An employee (16 years old volunteer) was left unsupervised for a short period and was badly injured by machinery. Threat by Health and Safety Executive (HSE) to prosecute a director of the charity and the charity itself for alleged failure to have proper health and safety procedures in place. Charges dropped but defence costs incurred.