

Screening Applicants Using Background Checks

Nonprofit organizations must take care in selecting employees and volunteers to avoid putting themselves at risk of liability lawsuits and legal damages. Background screening of prospective employees and volunteers is an effective risk management tool that can reduce employee turnover, deter theft and embezzlement and prevent liability and litigation troubles. Although background checks do present some costs, the risk of hiring someone without having performed this screening could signify considerably heavier financial consequences; the cost of recruiting, hiring and training an unqualified employee only to then search for a replacement is a significant waste of resources.

Benefits of Pre-Screening

Many job applicants have a criminal record that would compromise their job placement, yet they do not disclose this information. Therefore, consider these advantages of pre-screening potential employees:

- Discourages applicants from hiding a criminal background or falsifying their credentials.
- Eliminates any uncertainties about applicants in the hiring process.
- Encourages honesty while going through the hiring process.

How Many Levels?

At a minimum, it is advisable to ensure that an applicant's history does not include a criminal conviction

or deferred prosecution for a specific crime. Searches for criminal records might include federal, state and county records.

Depending on the sensitivity of the position, determine how many levels of screening are necessary.

Beyond the basic criminal background check, take a risk-focused approach to determining additional levels of screening, which might include:

- Identity verification
- Social security number verification
- Sex offender registry
- Employment verification
- Education verification
- Professional license verification
- Motor vehicle reports
- Drug Testing

The access level and sensitivity of the position will be key factors in determining whether or not additional screening is appropriate. It is advisable to maintain background checks on existing employees by continuing

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to perform them on a regular basis.

Credit Report

A final element that can be included in a thorough background check is a credit report, which not only provides alternative verification of social security numbers and employment history, but reveals other troubling financial issues that could be a factor in your hiring decision.

Streamline the Process

The background check will be more efficient, more valuable and less costly if the employment application contains certain elements, such as a statement that all information is accurate and that any untruthfulness or omissions are legal grounds for termination. A standardized format that consistently collects all necessary information will also speed the background screening process. Some other helpful elements include:

- Any other names used
- Reason for leaving past positions (“disagreement” or “mutual agreement” are red flags)
- Specification that names of actual employers must be listed (staffing firms should be listed, not the firm hosting temporary workers)
- Detailed contact information for references listed

A simple way to streamline the process is to implement an online application process that requires certain fields necessary for the screening to be completed. When a need for revision arises, the form can be easily modified across the entire organization. The application can be linked directly to provider’s systems that will extract all necessary information for the background screen.

Obligations and Outside Providers

To simplify the task, you may find it helpful to outsource the process to a background screening service provider. For many screening tasks, such as criminal background

checks, outside providers can be faster and more thorough. It is important that when selecting such a provider, you consider its financial statements and health, its hiring and employment processes, identity theft safeguards and, of course, service offerings.

You have several obligations to the applicant under the Fair Credit Reporting Act (FCRA).

- Any applicant on whom an institution performs a background screen must give his or her written authorization to conduct the report.
- If you ultimately deny employment, you must provide notification through pre-adverse action and final adverse action notification letters.

For More Help

If you need more information about protecting yourself from liabilities associated with hiring and termination, contact BCG Advisors, Inc.. Our insurance experts can keep you covered and give you peace of mind.