



How to Effectively Use Limitations of Liability and Disclaimers as a Nonprofit

Compliance and Ethics



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Limitations of liability and disclaimers are provisions that organizations often see in vendor and click-wrap agreements, but these provisions are also beneficial for nonprofits to insulate themselves from liability.



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Below is an overview of these provisions and scenarios for their use.

Limitations of liability

As described in this [April 2023 ACC Legal Resource](#) limitations of liability clauses seek to limit the amount of liability that a party will be exposed to for breaches, performance failures, or in other situations. A very common form of limitation of liability appears in Software as a Service (“Saas”) platform agreements.

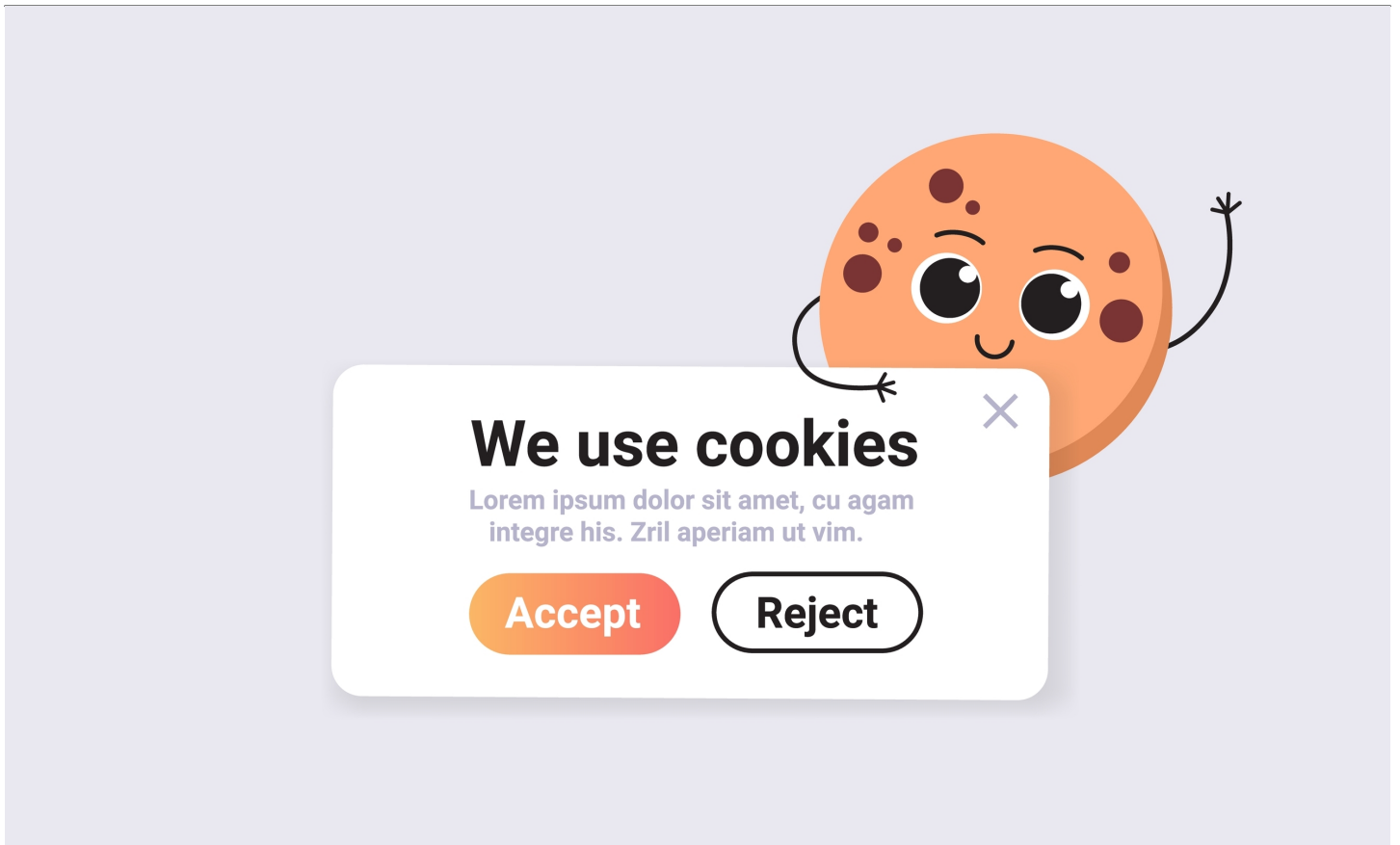
Although limitations of liability and disclaimers are often used in the for-profit context, nonprofits can also use limitations of liability and disclaimers to protect themselves from financial and risk exposure in various scenarios.

Taking the example from April, a limitation of liability clause may say:

To the fullest extent permitted by law, the parties agree that Party A’s total liability to Party B or its agents for any claim Party B may bring against Party A for damages, however arising — including but not limited to Party A’s action, inaction, breach of contract, or negligence — shall not exceed \$50,000, or the total fee for services rendered on the contract, whichever is greater.

Disclaimers

Disclaimers are often used in conjunction with limitations of liability, to not only limit financial exposure, but also to inform others that a party is not responsible for certain claims. Often, disclaimers are used on websites or in product liability contexts. The Nevada Bar provides some [examples](#) of website disclaimers. Although limitations of liability and disclaimers are often used in the for-profit context, nonprofits can also use limitations of liability and disclaimers to protect themselves from financial and risk exposure in various scenarios.



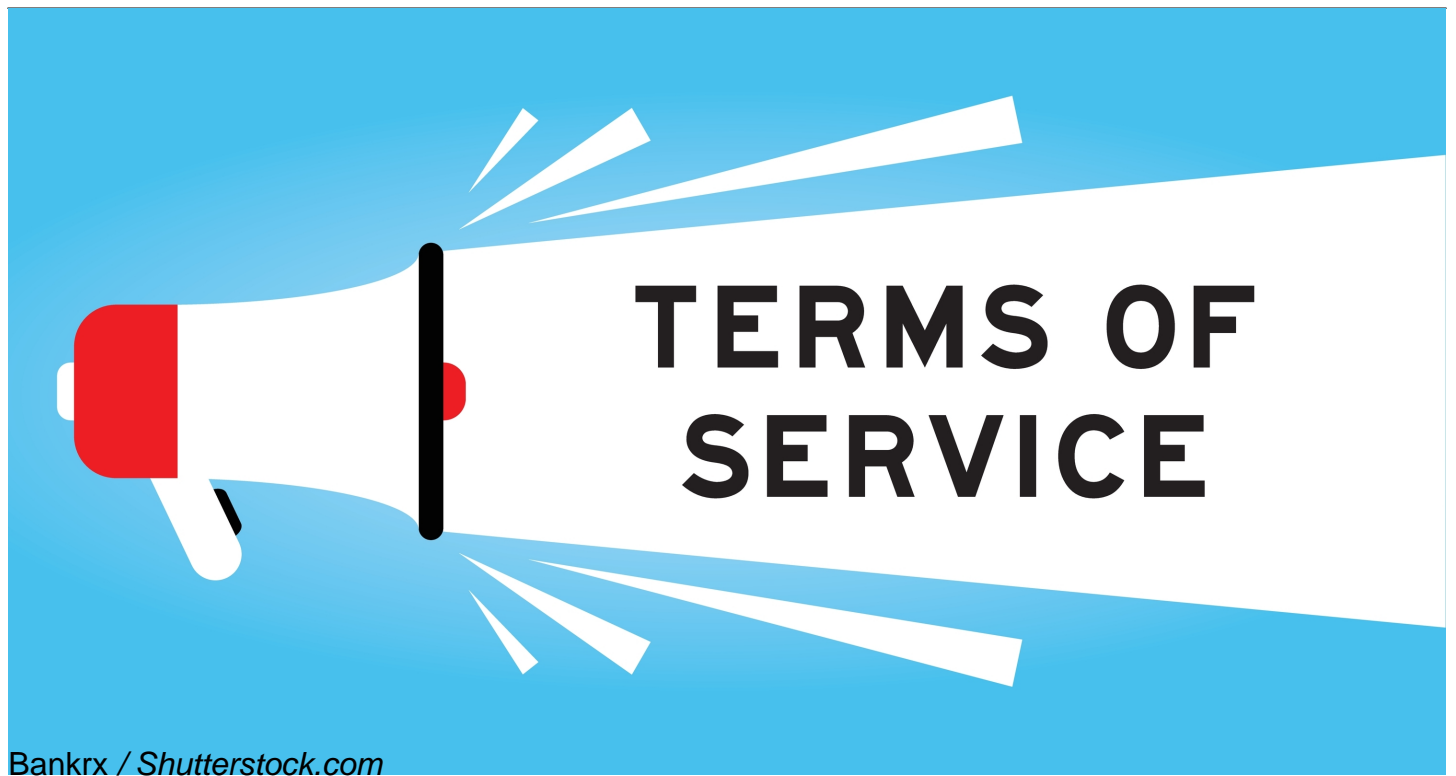
Nonprofit organizations can utilize website disclaimers to protect themselves from liability.
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Websites and apps

Similar to for-profit companies, nonprofit organizations can use disclaimers on their websites and mobile apps to inform users that they are not taking on added risk by providing educational material.

For example, a nonprofit may have an app that provides educational information to individuals with certain health conditions. A nonprofit may use a disclaimer in this instance to inform users that the information provided is intended for educational purposes, is not a substitute for legal advice, and tell users to contact their healthcare provider for help and advice.

Check out [sample Terms of Service](#) regarding the use of a company's website.



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Communicating to attendees any potential risks and personal responsibilities is a form of limitations of liability and disclaimers. MVshop / Shutterstock.com

Conferences and meetings

Nonprofits could also use limitations of liability and disclaimers when hosting conferences and meetings. They could inform attendees that they are not responsible for any injuries that occur while attending the conference or meeting, and inform them that they take part in certain activities at their

own risk.

Check out a [sample Liability Waiver for Association Event Attendees](#).

Trainings

Nonprofits could use disclaimers and limitations of liabilities in releases signed by attendees to limit their risk exposure when training an individual.

Some nonprofit organizations provide trainings not just by sharing information, but also by providing physical trainings in various areas, such as self-defense. Nonprofits could use disclaimers and limitations of liabilities in releases signed by attendees to limit their risk exposure when training an individual. They could also use these when contracting with trainers who will be working with attendees on a nonprofit's behalf.

Licensing

When nonprofit organizations engage in licensing transactions, including cause marketing, they may include limitations of liabilities and disclaimers in their contracts to ensure that they are not exposing themselves to unnecessary risk by having their marks appear on a product or service. In addition, they could ensure that disclaimers appear on such items, disclaiming liability in connection with consumer use.

These are just a few examples of how nonprofits can use limitations of liability disclaimers as useful tools to help mitigate liability. Although they are often used in for-profit contexts, nonprofit organizations can also use them to protect their charitable assets from unnecessary liability exposure.

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[Lakshmi Sarma Ramani](#)



Member

Outside GC LLC

Lakshmi Sarma Ramani was the general counsel of the National Association for the Education of Young Children and senior attorney at The Nature Conservancy. She is currently a member of the firm at Outside GC LLC where she is the outside general counsel to multiple nonprofit organizations.

Anita Drummond



Member

Outside GC LLC

Anita Drummond is a member and general counsel of Outside GC. She has been in private practice, general counsel of ChildFund International, USA, an organization working in 20+ countries, assistant general counsel at the American Cancer Society and The Nature Conservancy, and director of Legal Affairs at a trade association during her career. She specializes in corporate, charity, tax exemption, political, and social enterprise law in the United States and abroad. She is a member of the [ACC Nonprofit Organization Network](#).

