

Policy and Procedure

The What, the How
And the Why Not of it

Presented by Catherine Halkett
CH Not for Profit Consulting
For: Board Leadership Development Calgary, November 2, 2019

Board Leadership Calgary 2019

Introduction

As demands for accountability and transparency in volunteer organizations increase, it is more important than ever that not-for-profit organizations develop policies and procedures that demonstrate they are acting with due diligence, as required.

They are an effective tool for the present and the future

Board Leadership Calgary 2019

What we will cover, discuss and hopefully achieve:

- Understand** Understand the general terms used in the Policy and Procedure process
- Identify** Identify the components of policies and procedures
- Compare and contrast** Compare and contrast various policies and procedures (weak and the strong)
- Understand** Understand how to organize and format policies and procedures for high usability




Board Leadership Calgary 2019

Also... we will cover, discuss and hopefully achieve:

- Understand** Understand how to write and edit policies and procedures in appropriate styles
- Analyze** Analyze various policies and procedures in relation to their application and audience
- Learn** Learn how to use the "but, what if" test
- Recognize** Recognize the importance of conducting usability testing on policies and procedures by crafting a policy on one area of concern.




Board Leadership Calgary 2019

What is Policy?

-  Policy is a guideline for Society members to follow in making decisions best for the Society.
-  Policy provides a framework for the delegation of decision making, eliminates misunderstandings, reduces uncertainties and enables goals and objectives to be met.
-  Policy provides boundaries by clarifying communication lines and ensuring accountability




Board Leadership Calgary 2019

What is Policy?

-  Policy defines the organizations' values and goals
-  Policy provides continuity by ensuring consistency in the life of the organization
-  Some latitude is allowed in decision making, dependent upon circumstances, otherwise it would be considered a rule or procedure. However, in making decisions, the intent of the policy must be followed.

Board Leadership Calgary 2019

What is Policy?

-  Policies are a mechanism where the board can delegate authority and maintain control
-  Policy helps document decisions for both review and continuity
-  Policies define the why and the what.

Board Leadership Calgary 2019

What is the purpose of policy? Why Do we Have Policies?

The policies in the Policy Handbook are intended to:

- ▶ promote common understanding of the Societies objectives and bylaws
- ▶ provide direction to allow Board and/or Administration to meet Board policy objectives
- ▶ facilitate and encourage better and more timely decisions
- ▶ be written in such a way that will allow everyone to interpret and implement all policies the same way with the same understanding

Board Leadership Calgary 2019

What is the purpose of policy?

The policies in the Policy Handbook are also intended to:

- ▶ allow personnel or volunteers to know what is expected of them
- ▶ ensure that similar situations are handled consistently
- ▶ promote delegation of decision making to the level that must face the problem or situation when it arises
- ▶ encourage and promote consistent interpretation and coordination of actions and plans within and across all levels of the organization and Board
- ▶ address problems or situations that are repetitive or recurring

Board Leadership Calgary 2019

Policies answer the questions WHY? and WHAT? Procedures tell you HOW!

Why your society exists- it's philosophy, mission vision and goals.	What your society wants to be recognized for programs, activities and services.
Policies are the steps to put your goals into action.	Procedures answer the question HOW?
How you carry out the policies you create.	Procedures are the details that take policies to action.

Board Leadership Calgary 2019

A well-laid out policy and procedures manual will help attract informed members and allow the organization to operate more efficiently and effectively.

What do you feel may be some benefits of having a Policy and Procedure Manual?

Board Leadership Calgary 2019

The following are benefits described by an Alberta based Society:

- ▶ Board members have an outline of the organization's structure.
- ▶ The manual is a major resource for planning and coordinating events.
- ▶ Event organizing runs more smoothly as details are written down.
- ▶ Hall rentals are well detailed.
- ▶ New members are quickly oriented to the organization by reviewing the manual.
- ▶ Communication is improved between organizations.
- ▶ Meetings are two hours or less.

Board Leadership Calgary 2019

Benefits of a Policy and Procedures Manual

- There are some very good reasons why it's worth the time and effort to commit what you are about and how you do it to paper. Here are some ways that written policy and procedures can benefit your society.
- A policy and procedures manual can: save time and effort.
- When issues arise the policy manual is checked for existing policy. Time spent reinventing the wheel or recreating policy is avoided.
- Assist in new member recruitment. Policy and procedures clearly tell interested people what you are all about.

Board Leadership Calgary 2019

Benefits of a Policy and Procedures Manual

- Provide detailed job descriptions to orient new members, directors and employees and contract workers about their purpose, job standards and expectations.
- Provide continuity and consistency in decision making.
- They ensure the organization will stay on track even when the board of directors change.
- Set a positive direction for the organization. A guide for leadership which takes a proactive approach to present and future issues.
- Provide a way to review existing programs and services to ensure needs are met.
- Help avoid conflict and the potential for misunderstanding.

Board Leadership Calgary 2019

Why aren't Bylaws Enough?

- ▶ The primary policies for an organization are most likely found in its original bylaws.
- ▶ These policies define the role of the board members, how they are elected, how they function during board meetings, and how their work is structured.
- ▶ Also, the bylaws clarify how amendments are made to the original document: Bylaws are an evolving document that needs to be reviewed by the board on a regular basis. However, bylaws normally only create the very basic structure for the board's operative functioning.
- ▶ This document should not be cluttered by every conceivable rule and recommendation.

(Taken from <https://boardsources.org/resources/creating-policies/>)

Board Leadership Calgary 2019

Who changes What?

- The Board is elected by the membership.
- The Objects and Bylaws must be changed by a vote of the membership - either at an AGM or a Special Meeting.
- Mission Statement (the "now" statement - for who, what and why)- Most changes to the mission should be approved by the board, as any change may affect public perception and support. It must be consistent with the filed incorporation papers and if included in the Bylaws must be changed with the above protocol. If it does not substantially change what you do, the Board can strengthen the Mission statement and then change it everywhere.

Board Leadership Calgary 2019

Who changes What?

- ▶ The Vision statement (what we would like the world to be if we achieve our Mission Statement) can also be changed by the Board, making sure it is changed on all media and publications.
- ▶ Goals - consider the Mission Statement as the primary long term goal and objectives as short term goals. These can also be changed by the Board.
- ▶ However you make changes, make sure they are consistent with your type of incorporation and or charities registration as they can affect donations. Broadcast any changes to everyone and if needed check with appropriate government offices.
- ▶ Policies are changed by the Board and the appropriate manuals are updated and distributed

Board Leadership Calgary 2019

So.... How does this fit into everything else we have to have?

- ▶ ABC Society
- ▶ Incorporated under the appropriate Societies Act
 - ▶ (Provided Objects and Bylaws to the appropriate office)
 - ▶ They are legal documents once approved and stamped.
- ▶ Developed Mission Statement, Vision and Value statements
 - ▶ These lay the foundation for your existence.
- ▶ Established Goals and Objectives outline the things you want to accomplish
- ▶ Policy - defines why and what you are doing
- ▶ Procedures -outline the details of how to do it.
- ▶ Strategic Plan is developed to accomplish above
- ▶ Act on it




Board Leadership Calgary 2019

How does this all come together”

- ▶ Mission and Vision are written
- ▶ Objects are written and filed with Incorporation application
- ▶ Bylaws are written and filed (or rewritten)
- ▶ Strategic Objectives are set
- ▶ Policies are developed
- ▶ Procedures are written to carry out Policies

Board Leadership Calgary 2019

What Can You Put in a Policy and Procedures Manual

-  Ask your group why they want a P&P Manual and who it is for?
-  Where do you start first - Board Policies and Procedures or Volunteer Policies and Procedures or Employee Policies and Procedure or Operational Policies
-  Should they all be in one manual? Why or Why not?

Board Leadership Calgary 2019

Developing Policies and Procedures

Not as tough as you might expect, if you know what your Society does and what are its' existing practices and procedures.

Think carefully before you purchase canned Policies and Procedures unless your Board or a Committee is willing to work their way through each one and alter them to fit your organization. You may simply be creating more problems than when you had none as the tendency is to only read them if there is a problem and hope it fits. This doesn't make it wrong but there can be issues.

Board Leadership Calgary 2019

How to Start

- ▶ Appoint a special committee to concentrate on the drafting of a policies and procedures manual, or hire someone.
- ▶ They can seek input from the people who will be expected to follow the policies and consult with the Board as needed.
- ▶ They can look at samples and templates to see what things look like.
- ▶ They gather Bylaws, Objects, Mission, Vision, Value Statements to maintain consistency and accuracy

Board Leadership Calgary 2019

What Policies & Procedures are Important

- ▶ Everything that defines you as the organization you claim to be, and what you must do to keep going, is important.
- ▶ Although many basic policies are useful and necessary, there are a few that can prove to be extremely important.
 - ▶ **Reserves policy:**
 - ▶ **Conflict of interest policy**
 - ▶ **Hiring and Firing Policies**
 - ▶ **Fiduciary Policies**
 - ▶ **Name other vital areas.....**

Board Leadership Calgary 2019

- Every Policy becomes the most important one if:
 - There is a misunderstanding on how to do something
 - An issue arises on protocol
 - New members want to know something about the organization
 - The membership is not happy about something that is happening
 - A volunteer doesn't know how much or what they are to do
 - There is confusion about anything in the organization or its programs

You will never have absolutely everything covered
(but you can try)

Board Leadership Calgary 2019

Before You Draft Anything

- ▶ Gather the documents and information about how things are done currently, existing contacts and obligations, and current information and motions from past minutes.
- ▶ Be familiar with all your Objects and Bylaws.
- ▶ No use writing Policies and procedures about things you are not registered as doing.
- ▶ Know what legislation you are operating under.
- ▶ Know which laws relating to staff, volunteers and program participants, casual users or renters you must abide by.
- ▶ Collect procedural information from similar NPOs
- ▶cont.

Board Leadership Calgary 2019

Also, find out and know the following

- ▶ Define the organization's mission with a clear statement of why it exists.
(This one might stall the process if there is no clear mission or one hasn't been developed)
- ▶ Governance structure - assess how the Board, committees, volunteers and staff work together and interact. This helps determine the policies that are needed.
- ▶ Define who does what. It helps clarify who is responsible and what is needed.
- ▶ Define issues and challenges. This helps prioritize the policies that need to be developed.

Board Leadership Calgary 2019

Start the process :

- ▶ Create a standard format - check out the internet and other non-profits for templates and choose one you can live with.
- ▶ Put everything you have already collected into a binder and establish a sorting system
- ▶ Identify Policy Categories such as Organizational, Administrative, Financial Management, Property and Facilities, Human Resources

Board Leadership Calgary 2019

Also....

- ▶ Include indexes to help find information. Create a master index if more than one binder is used.
- ▶ Consider how to number the information. Each policy needs to have a unique identifier and to be assigned a category
This can simply be numerical or very intricate.

Board Leadership Calgary 2019

Develop a Template

- ▶ Set appropriate margins to ensure consistency and easy reading. For documents placed in binders, make the left-hand margin wider.
- ▶ The page layout should include the policy statement, procedures related to it and any references to legislation, constitution, other policies and procedures.
- ▶ Select an easy-to read font, for example Ariel or Times New Roman, in 11 or 12 pt. size.
- ▶ Make titles larger and bolded. They do not need to be the same font as the text.

Board Leadership Calgary 2019

Style

- ▶ Be direct, use active verbs and the present tense. For example: “The Board reviews the policy” rather than “The policy will be reviewed by the Board.”
- ▶ Use position titles not an individual’s name.
- ▶ Use capitals for proper nouns with consistency i.e. position names.
- ▶ Write in plain, clear language in correct grammar.
- ▶ Be concise and make sure it is understandable.
- ▶ ...cont

Board Leadership Calgary 2019

Style continued

- ▶ Spell out numbers one to nine, use numerals for 10 and over.
- ▶ When drafting procedures provide clear, step by step instructions that specify the actions required.
- ▶ Be consistent in representing the organization’s values and vision.
- ▶ Use abbreviations only after the first reference has been written out in full with its acronym in brackets.
- ▶ Format numbers consistently.

Board Leadership Calgary 2019

What then...

Approvals

The Board is responsible for reviewing and accepting the draft manual.

Review/Revisions

- ▶ Policies and procedures are not static. Develop guidelines to review them regularly.
- ▶ If a policy or procedure is not applicable then delete, update or combine.

Board Leadership Calgary 2019

Education and Distribution

- ▶ A key component of policies and procedures is making sure people know they exist and how they guide the organization.
- ▶ Address how members and volunteers learn about the policies and all updates - particularly in areas that affect them, their programs and their activities.
- ▶ Keep the policies and procedures manual current, replacing versions as new ones are developed

Board Leadership Calgary 2019

Archiving

- ▶ It is important to keep a copy of all versions of the policies.
- ▶ Develop a procedure outlining who is responsible and how the versions will be maintained.
- ▶ Archived copies help explain why something was done in a certain way, it is part of your history.

Board Leadership Calgary 2019

Let's Look at some sample Indexes

Governance Policies

- ▶ History
- ▶ Contact information for board/employees
- ▶ Articles of incorporation/letters patent
- ▶ Constitution/bylaws
- ▶ Mission, vision and values
- ▶ Objectives
- ▶ Operating structure
- ▶ Roles and responsibilities for offices
- ▶ Committee structure and roles
- ▶ Strategic plan

Board Leadership Calgary 2019

- ▶ Organizational mission, objectives and statements of values (not usually considered "policies" but qualify as such)
- ▶ Role and responsibilities of the board
- ▶ Board chair job description
- ▶ Decision-making and meeting practices (usually covered partially by the by-laws)
- ▶ Conflict of interest
- ▶ Executive director or CEO job description
- ▶ Financial management practices
- ▶ Personnel or human resource management practices
- ▶ Fundraising (including ethical considerations)

Board Leadership Calgary 2019

Administrative Policies

- ▶ Membership
- ▶ Access to information
- ▶ Record retention/archives
- ▶ Conflict of interest
- ▶ Communications
- ▶ Insurance - third party, bonding, directors and officers
- ▶ Meetings - voting, cancellation
- ▶ Board/employee relations

Board Leadership Calgary 2019

Financial Policies

- ▶ Accounting methods - reporting
- ▶ Assets - inventory, value, disposal
- ▶ Audit - level of scrutiny, who, appointment at annual meeting
- ▶ Banking - chartered bank/credit union, types of accounts, services required, signing officers, who can deposit, receipt of bank statements
- ▶ Budget preparation and management
- ▶ Legal requirements - Goods and Services Tax (GST) deductions and remittance, security and retention of financial records

Board Leadership Calgary 2019

- ▶ Expenses - receipts, mileage, meal and parking reimbursement, submitting expenses
- ▶ Cash management - cash, reserve fund
- ▶ Fund development - recorded, types of activities accepted, receipts, charitable considerations
- ▶ Investment - surplus funds, low risk investments, board approval, use of revenue

Board Leadership Calgary 2019

- ▶ Cheque control and safeguard - storage, used in numerical order, void cheques in file, two signatures, expenses paid by cheque, receipts for purchased items, limit of cheque amount without approval
- ▶ Contracts - tendering at specific level, board approval, signing authority, file copy storage, changes to contract
- ▶ Credit - authorized amount, credit card, acceptable use, payment with receipts, only for organization business

Board Leadership Calgary 2019

Human Resource Policies

- ▶ Positions
- ▶ Members and volunteers
- ▶ Recruitment of member and volunteers - who is responsible
- ▶ Orientation and training of volunteers - who, when, how
- ▶ Recognition - volunteer descriptions, in what manner, how often
- ▶ Benefits

Board Leadership Calgary 2019

Board of Directors

- ▶ recruitment of directors - nominating committee
- ▶ elections
- ▶ orientation and training
- ▶ management - meeting attendance, committee work, participation at events
- ▶ evaluation and recognition of directors
- ▶ dismissal of a director
- ▶ Board meetings - who can attend
- ▶ Dismissal members and volunteers
- ▶ Resignation and replacement of directors

Board Leadership Calgary 2019

Facilities and Property Policies

- ▶ Building - use, rentals, access, maintenance schedules, keys, off season, applicable city bylaws
- ▶ Equipment - tables, chairs etc.
- ▶ Computer - access, safeguards, storage, record retention
- ▶ Property - use, rental, maintenance
- ▶ Insurance - type of coverage, review schedule
- ▶ Risk Management

Board Leadership Calgary 2019

Volunteers

- ▶ Mission and history of the organization
- ▶ Organizational chart and list of board committees and their authority/responsibility
- ▶ Description of principle programs and outcomes
- ▶ Description of topics and operational policies that will be covered in Volunteer Orientation, such as access to the building, emergency evacuation procedures and safety rules
- ▶ Overview of the volunteer matching/selection procedure for assignments; qualifications for specific volunteer positions, and disclaimer that the non-profit has the right

Board Leadership Calgary 2019

- ▶ Expectations for conduct and behavior
- ▶ Prohibited conduct, such as violence and harassment
- ▶ Conflict of interest policy
- ▶ Policy on reimbursement of expenses, if applicable
- ▶ Description of the non-profit's "Open Door Policy" and guidance on where a volunteer should report concerns
- ▶ Operational guidance such as who to contact if a volunteer is going to be late or has to reschedule or miss an appointment; important phone numbers and websites
- ▶ Acknowledgement of receipt of the Volunteer Handbook and important numbers

Board Leadership Calgary 2019

While developing policies and procedures for volunteer organizations is not easy, having transparent and defensible policies and procedures are an excellent guide to help organizations make good decisions.

Now lets write a simple Policy and at least 5 procedural steps to carry it out and discuss

Board Leadership Calgary 2019

Questions

Board Leadership Calgary 2019

Resources

- ▶ https://www.nationalservice.gov/sites/default/files/resource/Policies_and_Procedures_Handbook_rev.5.16.11.pdf
- ▶ <http://sectorsource.ca/managing-organization/board-governance>
- ▶ Sample Policies community.net.nz
- ▶ <https://managementhelp.org/misc/Contents-Board-Manual.pdf>
- ▶ Policy Pro free trial
- ▶ <http://www.nonprofitexpert.com/sample-nonprofit-board-policies-and-procedures/>
- ▶ http://www.clearviewcc.ca/files/AndringaNOBPMTempl atev3_22.pdf

Board Leadership Calgary 2019

- ▶ Sample Policies community.net.nz
- ▶ <https://managementhelp.org/misc/Contents-Board-Manual.pdf>
- ▶ Policy Pro free trial
- ▶ <http://www.nonprofitexpert.com/sample-nonprofit-board-policies-and-procedures/>
- ▶ http://www.clearviewcc.ca/files/AndringaNPOBPMTemplate3_22.pdf
- ▶ Alberta Government, Board Development
- ▶ Alberta Government, Developing Polices for Agricultural Societies
- ▶ From www.governinggood.ca/wp-content/uploads/2013/07/By-Laws-and-Policies-Is-There-a-Difference.pdf
- ▶ <http://www.governinggood.ca/resources/sample-policies-dalhousie-collection/> Sample Policies

Board Leadership Calgary 2019

- ▶ Policies developed by various arts, sports, community and social service organizations
- ▶ Policy? Procedure? Both? Either? Huh? Christopher Girodat, 2018
- ▶ Page, S 2004 7 Steps to Better Written Policies and Procedures. Westerville OH: Process Improvement Publishing
- ▶ Page S 2005 Best Practices in Policies and Procedures
- ▶ Writing Effective Policies and Procedures by Nancy J Campbell ISBN #0-8144-7960
- ▶ Northern Lights Health Region Website www.nlhr.ca

Board Leadership Calgary 2019

Thank you for Attending

Please come and get further information at the front.

Board Leadership Calgary 2019