

## Tools for nonprofit leaders: Policies and procedures

### About this article

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This is the third in a series of articles offering tools to not-for-profit leaders. The first article described the strategic plan - your roadmap to lead you to your desired outcomes. Your strategic plan focuses on supporting your mission and vision. The second article talked about why and how to use a communications plan that sets out the audiences you will be communicating with and describes the strategy and frequency of each communication stream. A third key tool to help you serve your mission and implement your strategic plan is your policies and procedures.

Policies and procedures set out the rules for both volunteers and paid staff, consultants, and other outsourced individuals. Policies are the statements that provide the framework for decision-making and desired action. They provide guidance for how to respond to situations in a manner that supports your organization's values.

Procedures describe the manner in which to implement a policy. True to high-performance organization governance protocol, the board approves policies and the chief staff officer approves procedures. Policies and procedures must correspond to the mission, vision and strategic plan of the organization.

Board policies interpret and expand on bylaw requirements. By setting out complex rules in your policies, you avert having to go through the rigorous steps involved in changing your bylaws (member voting process, ministerial approval if your organization is incorporated, etc.). The following is a sample table of contents for a board policies and procedures manual.

**BOARD OF DIRECTORS SAMPLE POLICIES AND PROCEDURES**  
**Sample Table of Contents**

**1. BOARD STRUCTURE & RESPONSIBILITIES**

- 1.1 Board Structure
- 1.2 Committees
- 1.3 General Responsibilities of the Board as a Corporate Body
- 1.4 Authority and Accountability
- 1.5 Major Duties of the Board
- 1.6 Due Diligence - Responsibilities of Individual Board Members
- 1.7 Oath of Office and Confidentiality
  - Sample - OATH OF OFFICE AND CONFIDENTIALITY AGREEMENT
- 1.8 Code of Conduct
  - Sample - CODE OF CONDUCT
- 1.9 Conflict of Interest Policy
  - 1.9.1 Definition of Conflict of Interest
  - 1.9.2 Principles for Dealing with Conflict of Interest
  - 1.9.3 Examples of Conflict of Interest on the Part of a Board Member
- 1.10 Disposition of Complaints and Disputes involving Directors

**2. ROLES OF THE OFFICERS OF THE BOARD**

- 2.1 President
- 2.2 Vice President
- 2.3 Treasurer
- 2.4 Secretary

**3. ROLE OF COMMITTEES**

- 3.1 Composition
- 3.2 Function
- 3.3 Relationship to Staff
- 3.4 Nominating Committee

**4. STYLE OF GOVERNANCE**

**5. BOARD RESPONSIBILITIES**

- 5.1 Planning
  - 5.1.1 Strategic Plan
  - 5.1.2 Annual Operating Plan
  - 5.1.3 Planning Cycle
- 5.2 Financial Stewardship
- 5.3 Human Resources Stewardship
- 5.4 Performance Monitoring and Accountability
- 5.5 Risk Management

- 5.6 Community Representation and Advocacy
- 5.7 Management of Critical Transitional Phases

## **6. EXECUTIVE AUTHORITY**

- 6.1 Delegation to the Executive Director
- 6.2 Appointment of the Executive Director
- 6.3 Executive Director's Performance Evaluation
  - 6.3.1 General
  - 6.3.2 Procedure

## **7. BOARD DEVELOPMENT**

- 7.1 Recruitment and Screening of New Board Members
- 7.2 Orientation of New Members

## **8. BOARD MANAGEMENT**

- 8.1 Meetings
- 8.2 Board Member Attendance
- 8.3 Board Work Plan/Objectives
- 8.4 Board Self-Evaluation
- 8.5 Conflict Resolution
  - 8.5.1 Managing Issues-Based Conflict
  - 8.5.2 Managing Personality-Based Conflict

## **9. BOARD DECISION-MAKING**

- 9.1 Decision-Making Process
- 9.2 In Camera Meetings

## **10. DISSOLUTION OF ABC NONPROFIT**

## **11. SAMPLE POLICY FORMAT/TEMPLATE**

## **12. EXECUTIVE DIRECTOR - JOB DESCRIPTION**

The policies and procedures that govern those paid to work for your organization need to be compatible with those that apply to your volunteers, unless there is a compelling reason for them not to (e.g. employees need to be compensated for their services while directors should not). Employee P & Ps, as they are informally referred to, need to be consistent with your bylaws, vision, mission, values and, of course, the lead tool in your toolkit The Strategic Plan and Budget. Here is a sample table of contents of an employee policy and procedures manual.

**EMPLOYEE POLICIES AND PROCEDURES**  
**Sample Table of Contents**

INTRODUCTION

1. Board Policy
  - Executive Limitations: Staff Treatment
2. Statement of Organizational Values
3. Definitions
4. Employee Rights
5. New Appointments
6. Performance Evaluation
7. Dress Code
8. Office Hours
9. Pay Days
10. Statutory Holidays
11. Annual Vacation
12. Leave Days
13. Sick Leave
14. Leave of Absence without Pay
15. Leave of Absence with Pay
16. Employee Benefits
17. Change of Position
18. Staff Development
19. Educational Assistance
20. Business Travel Expenses
21. Salary
22. Conflict of Interest
23. Service Standards
24. Harassment in the Workplace
25. Complaint Procedure
26. Complaint Investigation
27. Interpersonal Conflicts
28. Employment of Relatives
29. Termination of Employment
30. Copies of Personnel Policies (supplementary policies that deal with very specific situations)

Appendices

Appended and forming part of this policy document are:

- The mission statement of ABC NONPROFIT
- An internal organization chart
- A Use of ABC NONPROFIT Equipment and E-Mail Policy
- A copy of the ABC NONPROFIT benefits plan

- ABC NONPROFIT's bylaws
- Criteria for accepting long-distance speaking invitations
- Procedure for authorizing expenses, approving invoices, and signing cheques and contracts
- Protocol for contacting senior government officials, senior representatives of ABC NONPROFIT members/sponsors, and senior representatives of ABC NONPROFIT stakeholder groups

Each organization will have unique circumstances that should be addressed in customized policies and procedures documents; in this case, more is better. Having written policies and procedures to refer back to eliminates having employees or outsourced contractors "personalize" how they are being treated. Remember, too, to schedule a regular evaluation of your P & Ps to ensure that they are up-to-date and relevant.

*Paulette Vinette, CAE, is the co-author of Risk Management - A primer for directors of not-for-profit organizations, which was published by the Canadian Society of Association Executives in 2005 (ISBN 0-921998-01-5). Paulette is President of [Solution Studio Inc.](http://www.solutionstudioinc.com), a consulting practice that serves the not-for-profit association community. She can be reached at 1-877-787-7714 or [Paulette@solutionstudioinc.com](mailto:Paulette@solutionstudioinc.com).*

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