Are Your Policies Known and Relevant?

I have not been keeping statistics, but I feel comfortable stating that a good number of not-for-profits do not have a comprehensive and integrated policy manual either on paper, or on their intranet or shared drive. I have come to this conclusion through working with many organizations, and through my involvement with the CAE Program courses, research and reviews.

When conducting organization best practice reviews, I consistently find a lack of policy documentation. A classification chart for a policy manual is lacking, and any approved policy is not consolidated. As a starting point, it is prudent to have someone go through past minutes, identify approved policy and gather known policy. One organization assigned a summer student the task of collected and classifying policies from past board and committee minutes. Upon reviewing the findings, the Executive Director was surprised to see how many different policies had been approved over the years. One policy had actually been developed and approved twice.

Not-for-profits are including reference to becoming knowledge-based or results based organizations in their strategic direction statements. The chances of this happening are reduced if current policy is not documented. Why? Policy documentation and understanding is one of the pillars that supports effective decision-making.

Organizations that attest to having a culture of continuous improvement may not be getting all the value they believe if they lack documentation for current situations, including policy. This is part of the continuous improvement process.

Organizations without documented relevant and known policy are more apt to experience communication problems. If policy information is not available, the effectiveness of board and staff orientation activities is reduced. Uncertainty around roles and responsibilities is also a problem. Not understanding what policy exists removes some of the guidance policies provide. The organization also runs the risk of developing and improving policy it has already put in place.

Policies documented in most organizations often relate to board and employee activities. Board policies often focus on meetings, conflict of interest, insurance, travel expenses, and committee terms of reference. Organizations with five or more staff members tend to have an Employee Handbook or Employee Policies and Procedures Manual. Policies also cover finance, planning, communications, media, membership, volunteers, advertising, privacy, and programs and services.

The fact that policies are not documented increases an organization's exposure to risk. If policies are not reviewed on regular basis, practices may not be consistent with current legal requirements.

If you are planning to capture the existing policies and develop new ones, it is important to understand some basics of developing and evaluating policy.

Evaluation of policy helps determine its effectiveness. Is the policy achieving what it was designed to do? If not, it is important to determine what is working and what doesn't so improvements can be made. Policies have intended outcomes and, occasionally, unintended outcomes. Evaluation will help determine if policies support the intended strategy. There may be consensus on the policy and its intent, but concerns around the process to carry out the policy may need attention.

Evaluation questions usually inquire as to implementation of the policy, outcomes, level of satisfaction, meeting needs and what needs to be started, stopped, or continued but improved. Questions on existing policy may also identify a need to establish new policies.

Individuals with an interest or involvement in policy like to be asked for input so they can provide feedback. Data to support evaluation needs to be collected. This can come from a listing of comments received, surveys, and process teams or focus groups.

Without the right data a policy may be changed by a single complaint as the board tries to please a member. The change agreed to may generate complaints by hundreds of others. Policies are influenced by strategies and external and internal environments – as a consequence any proposed changes to existing policy need to be fully examined.

Having a Policy Review Policy and a Developing Policy Checklist will help keep policy relevant and known, and improve the quality of policy being approved.

The process for developing policy often involves going through different steps or stages. A number of models are available. Most models intended for developing policy address the following questions:

- What is the problem or opportunity?
- What strategy will be pursued?
- Based on the strategy what policy will be needed?
- What are the potential policy options?
- Whom should we consult?
- Do we have buy-in and supportive procedures for the policy?
- How and when do we implement?
- How and when will we monitor and evaluate?

It should be noted that these questions need to be expanded if a policy is being developed to influence the broader public.

Students in the CAE program experience an evaluation of policy and develop new or revised policy. In recent years I have seen a change in attitude towards developing policy, perhaps summed up by this student's response. "I used to dread policy development. I thought it should be handled by a lawyer. Now that I have access to so many references on the internet and policy development tools, the whole process seems to be easier."

A little research can often make light of heavy work. Contact other not-for-profits to determine if they have a policy that might suit your purpose, and ask if they would be willing to share it. Don't, however, assume that policies provided to you by other organizations are doing the job for which they were intended. Ask questions. Find out if the organizations providing you with samples would change anything in their policy if they could, and ask why. Capitalize on the experiences of others. It can eliminate hassles down the road and save you a wealth of time. A number of websites address policy development and evaluation.

If you think it is time your policies become known and relevant, and link with strategy and other organizational policy and processes, I suggest you share the challenge with your board and staff. The approved action plan may generate a policy for the development and management of policies and may generate the interest and commitment to improve decision-making in your organization.

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SIDEBAR

Do you have these key policies documented?

Volunteer management, strategic management, board performance and evaluation, CSO performance and evaluation, board expenses, insurance, conflict of interest, orientation and training, director responsibilities, governance arrangements, committees and task forces, confidentiality, meetings and agendas, audit, donations and sponsorships, conflict resolution, memberships, marketing, strategic alliances and partnerships, spokesperson, communications, website, human resources and office operations, budgeting, purchasing, advertising, financial statements, IT security and training, fees and user pay, dues, accumulated surplus and deficits, publications, and, as applicable, program and service areas such as awards, advocacy, position statements, certification, accreditation, education, research, standards, affinity programs, conferences, program and services development and abandonment.

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POLICY REVIEW (Sample)

Policy Objective

To ensure policy is current and supports the organization's strategic direction.

Policy Statement

Each policy will be contained in a consolidated organization policy manual and will be maintained on the website. Annually, after approval of the Strategic and Business Plan, stakeholders shall be given an opportunity to propose adjustments to existing policy or suggest the establishment of new policy. At least once every three years, the board shall undertake a thorough review of all policies and consider the need for additions, deletions or modifications.

Policy Application

- The CSO will maintain and update the organization's policy manual.
- The board Secretary-Treasurer or Board's representative will monitor updating and development of the manual.
- The board Secretary-Treasurer or Board's representative will facilitate the review of each policy by the board at least once every three years.
- Within ten days of approval of Strategic and Business Plans the CSO will arrange for all key stakeholders to consider the need for policy adjustments or the development of new policy.
- The CSO will arrange for adjustments and new policy development to occur and will present new policy to the board for consideration.

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DEVELOPING POLICY CHECKLIST

Following are some essential questions to consider in developing policy. Follow up on those questions responded to with a "no" response.

Essential Questions

- Is the policy consistent with our plans and strategic direction?
- Have all the relevant issues and stakeholders connected to the policy been identified?
- Are there prior or similar policies that will need adjustment as a result of the new policy?
- Have we reviewed possible barriers to implementation of this policy?
- Is the policy objective, policy, and application through procedures clear, and do they address the barriers?
- Have those with relevant knowledge been consulted?

- Has a plan of communication been developed to support approval and understanding of the policy?
- Is it clear how we will monitor this policy? Are accountability aspects considered?
- Have we benchmarked this type of policy with similar organizations?
- Have we assessed the liability, financial and human resource impact?
- Will this policy be combined with other policies in an organization policy manual and easily accessible?
- Is the policy in compliance with other statutory requirements?
- Is there a firm date as to when this policy will be reviewed again?

This column features innovation and practical solutions applied to trends, issues, challenges and opportunities for the association community. Column editor Jim Pealow, MBA, CMA, CAE is a consultant http://www.amces.com/ and the CAE Education Program Lead Instructor/Coach for CSAE. He can be reached at jim@amces.com.