

Carmichael.

How to agree operational policies for your nonprofit

In the [Charities Governance Code](#), one of the core standards (3.4) requires charities to agree operational policies where necessary, to guide the actions of everyone involved in your charity. This may prompt the following questions:

- What policies do we already have in place?
- Do they need updating?
- Do we need to put new policies in place?

What is the difference between policies and procedures?

Policies tell people WHAT to do. They provide guidelines or rules that govern behaviour within the organisation.

Procedures tell people HOW to do it. They are specific steps that need to be followed to implement the policy. So policy documents may have sets of procedures that help you to implement your policies at an operational level.

Policies and procedures:

- Ensure compliance with laws and regulations that are relevant or applicable to your organisation.
- Provide appropriate controls that set out how things should be done, and what is expected of trustees, staff and volunteers.
- Ensure transparency and accountability that the work of the organisation is carried out appropriately.
- Limit risk.

Before developing new policies, ask yourself:

- What are the legal/regulatory requirements that apply to our organisation?
- Does a written or de facto policy already exist?
- Does an existing policy need to change?
- Are there new or updated legal/regulatory requirements being introduced that will require us to update or develop a new policy?
- Are there adequate provisions for policy implementation and review?

Too many policies may cause confusion, too few may create risks for your organisation. All policy development or policy changes need to be agreed by the Board. Make sure that this is recorded in board minutes. Procedures can be altered by the CEO/Manager.

Policy development

Research

Check whether there is any legislation/regulation that will have an impact on the policy area that you are working on. For example: health and safety, employment law, GDPR. Consult the relevant professional bodies as appropriate.

Draw on existing documents within the organisation – the constitution, mission statement, planning documents and any policies already produced. Any new policy needs to fit in with what already exists – unless your research shows that your organisation needs to update the existing documents.

Carmichael.

Talk to other organisations in your field. Look at example policies from other organisations (but don't copy them!)

Don't try to write a policy on your own. You need to involve those who are going to be affected by the policy. This helps to ensure that the policy is grounded in reality and is workable as well as increasing the likelihood that it will be implemented properly.

It is useful to ask yourself 'who will be affected by this policy?' and 'who could block any changes in this area?'. There may even be people outside the organisation who you may want to involve.

Identify and consult with relevant stakeholders. This could include trustees, staff, volunteers, clients, funders and external advisers, depending on the nature of the policy. A good range of perspectives is useful as it helps to generate ideas and clarify the issues, particularly any areas of disagreement.

The level of consultation will depend on the significance of the policy, the degree to which it will affect people and the potential level of disagreement. It may be sufficient to circulate a draft and give people time to respond. Or you may need to actively seek views before any writing is done.

Check resource implications

What resource implications will this new policy have for the organisation?

The cost of the new policy needs to be taken into account when it is being developed. If a new policy sits on a shelf because there is no money to implement it, this will lead to indifference or even cynicism.

Policy needs to be put into practice. You will need to brief those who have to implement it and this will involve explaining the policy or providing training for staff or volunteers. You may also need to think about what action to take if the policy is not adhered to.

No policy is cast in stone. It is important to review policies and procedures from time to time to ensure that they are still relevant and workable.

All policies should show the date that they were agreed and reviewed.

Writing the policy

- Use clear and simple language
- Be directive but not insensitive
- Be concise, but explain the reasons for the policy
- Have one person doing the writing
- Number the pages and sections
- Date the final copy and any future updates

Policy List

While there is no definitive list of policies, you can see a sample list in appendix 4 of Carmichael's [Governance Handbook Template](#).

You can also see some sample policies in the Charities Regulator's [Governance Code Toolkit](#).