

# ORGANIZATIONAL POLICIES & PROCEDURES

A **POLICY** is a broad direction stating what is required or what is not allowed. A policy answers the question, “*What must happen or what must not happen?*” Depending on the specific type of policy, Board approval is normally required for a policy to become an official “rule” of the organization.

A **PROCEDURE** is a more detailed description of *how* a policy will be acted on or implemented. With the exception of *procedures for the Board of Directors*, all other procedures are operational in nature and are not considered to be in the Board’s domain. Procedures are, however, not kept secret from the Board; the staff or volunteer responsible should provide an update of the operational policy.

There are essentially three major areas of policy development in organizations.

## 1. Framework Policies

Bylaws; that mandate, membership, major responsibilities of the Board, general meetings and fiscal year end. Other framework documents are purpose or mission, vision, and values.

## 2. Governance Policies

These are documents that indicate how the Board will manage itself. Key policy areas are; the type of governance structure, responsibilities of executive/officer positions and directors, meeting management, committee structure, recruitment & orientation, code of conduct and conflict of interest, strategic planning, Executive Director performance evaluation, and Board self-appraisal. These policies are *about* the Board and *for* the Board.

## 3. Operational policies

Policies related to all areas related to service, finances, and administration of the organization. Policies should be related to: programs and services, advocacy, human resources, financial management, and administration.

Depending on the governance structure of the organization the approval of policies differs. Framework bylaws are approved by the membership. Other framework and governance policies may be approved by either or both the Board and/or the membership. Senior Managers or in the absence Directors are responsible for developing and maintaining operational policies and procedures. The Senior Managers or Executive Director and the Board of Directors are partners. The Board is ultimately responsible for all the actions and decisions made by employees of the organization.

One of the governance models, the Carver Model by John Carver, developed the concept of “executive limitations” in his writings about non-profit Boards of Directors. In essence, an executive limitation policy is a policy prohibiting the executive director from doing certain things, putting limits on actions or decisions. Executive limitation policies are negatively worded, for example, “The Executive Director shall not act to prevent a grievance from reaching the board after due process outlined in operational policy #1.3 has been followed.”

Remember, a policy is not a policy until it is written and approved, it is a custom or practice. Here are some steps in developing a new set of policies:

- Obtain copies of several policy manuals from other organizations as examples
- Request and review mandatory regulations from funders, provincial departments such as employment standards, health/fire/building standards.
- Develop a committee of board and staff with terms of reference and allow at least six month from the process.
- Develop and action plan with timelines to include; sections of the policy manual, the research required, who will do the writing and formatting, process of preliminary approval and the final approval by the Board of Directors.



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