

Non-Profit Governance Policy Checklist



*Here is a list of the main governance policies that should be considered by organizations that operate with a volunteer board and staff. ¹ The role of policies is to imbed certain principles and practices in the work of the organization and because leadership changes, board members especially, enhance continuity. The ones in **bold** may be the most essential. The explanatory notes below offer more details.*

- Memorandum of Association²
- Incorporating Bylaws³**

Board Practice Policies⁴

These policies focus on the elements of the board's responsibility for itself, its own management.

- Role of the Board
- Board Member Position Description**
- Conflict of Interest**
- Board Chair Position Description⁵**
- Board Secretary Position Description**
- Board Treasurer Position Description**
- Board Member Code of Conduct⁶**
- In Camera Meetings
- Board Committee Terms of Reference⁷
 - Nominations Committee
 - **Governance Committee**
 - Executive Committee
 - Audit and Risk
- Guidelines on Decisions and Motions⁸
- Guidelines on Board Minutes (incl template)
- Board Self-Evaluation

Executive Director/CEO Management

These policies focus on the board- executive director/CEO relationship

- Authority of the Executive Director⁹
- Executive Director Evaluation**
- Executive Director Communication to the Board
- Position Description**
- Contract**¹⁰
- ED Compensation Review Process
- Emergency ED succession**

*Operational Management Policies*¹¹

These policies focus on operational management, the responsibilities of the Executive Director (CEO). Except at the highest level of each area the board may not feel the need to review or approve the policies (except those in bold) nested under each heading.

- Human Resource Management Policy**¹²
 - Staff Code of Conduct
 - **Conflict Resolution Policy**
 - Harassment Policy
 - Whistleblower Policy

- Financial Management Policy**¹³
 - **Reserve Funds**
 - Investments

- Fundraising Policy**¹⁴
 - Ethical criteria
 - Protection of donor information
 - Receipting of gifts in kind

- Volunteer Management Policy**¹⁵

- Client Service Standards Policy¹⁶**
- Program Evaluation
- Organizational Communication Policy
 - Social Media Use

This list can be freely used and adapted by non-profits. Attribution of Governing Good as the original source would be appreciated. Examples of many of these policies can be found at www.governinggood.ca. If you want a customizable version of this checklist please request one by emailing GG.

Notes

¹ Excluded from this list are organization statements related to **vision, mission and values** that are also vitally important in governance work. Feel free to add these at the top of your own version.

² Under the Societies Act of Nova Scotia one of the incorporating documents is called the Memorandum Association. It describes the general “objects” of the organization and its place of business. In other jurisdictions such a document may go by another name. Some non-profits have a “constitution” that can combine statements of purpose and principles as well as bylaws.

³ Legal incorporation mechanisms generally require a non-profit to have a set of bylaws. These typically describe who are the members, the members’ voting rights, the requirements of members’ meetings, quorum rules, the composition and election of the board of directors, board meetings, removal of a director, the board’s power to hire a “manager”, the board’s borrowing powers, etc. The matters covered in incorporating bylaws do not differ much from place to place.

⁴ **Board practice policies** here focus on the work of the board itself, its self-management. Some may be an extension of the matters outlined in their bylaws.

⁵ Given the important role the board chair plays, a description of the duties and responsibilities of this position, and the authority that goes with it (or more importantly does not) is critical. It is generally accepted that the chair has no responsibility for the functioning of the organization. The chair’s focus is to be on the functioning of the board.

⁶ A code of conduct can address important practices that enhance decision-making and the functioning of the board as a team. Confidentiality can also be addressed here. A separate conflict of interest policy should be referenced. A complement to such a policy could be an **agreement form** to be signed by each director.

⁷ I have listed four committees here. Your non-profit may have more or different ones. Board recruitment is sometimes assigned to one’s governance committee.

⁸ Guidelines on decisions and motions are a board’s own “Roberts Rules” They only need describe what key decision matters routinely require formal motions and a vote. A board ought to have its own sense of this. This can be a short list; a page or two at most. These are immensely helpful to board chairs and secretaries in clarifying meeting procedures.

⁹ This policy outlines the overall operational responsibilities and authority that the board has transferred to the Executive Director. Because authority in specific areas should also be described in each operational area, one might argue that a summary or comprehensive policy is not needed. However, everyone can all benefit from such reminder of where the line is between the board's work and the ED's work.

¹⁰ An executive directors' (or CEO's) contract is different than a job description in its focus on the conditions of employment, including work flexibility, leaves, advance notice of resignation, ongoing feedback and formal evaluation.

¹¹ **Operational management policies** here are those that describe the management and programmatic principles, standards and practices of the organization. In most cases these constitute the responsibilities of the executive director/CEO. It would not be unusual for such policies to be drafted by the ED and staff even though they are to be approved by the board. There are likely to be external compliance matters here too (remittance of employee payroll deductions, employment law, charitable status, etc.) under each operational heading.

¹² At a high level anyway, an HR policy should address employment issues such as hiring practices, hours of work, probation period, overtime, leaves, staff evaluation, job descriptions, etc. Most jurisdictions have labour standards laws, and these should be identified in the policy.

¹³ A financial management policy would normally outline expectations around financial controls, income and expense records, accounting standards, internal reporting, budgeting, banking, and purchasing. On a more detailed level a non-profit would likely have internal (not board approved) policies on matters such as a credit card use and expense reimbursement.

¹⁴ If an organization relies on income from individual donors one ought to have fundraising principles to which the organization adheres. In Canada, for example, the Association of Fundraising Professionals has a set of ethical standards that non-profits can adopt. A fundraising policy should, at the very least, reference them. If one's main source of income is government grants they often have their own reporting standards which might be better outlines in a financial management policy.

¹⁵ If one's organization relies on volunteers (who are not members of the board) there are easy to find standards on good volunteer management practices. Most non-profits with a "volunteer manager" as a staff position will likely have such a policy already. There may be a "main" policy here as well as more detailed ones.

¹⁶ If one's non-profit provides educational, health or social services it may have a policy outlining client/resident rights, standards of care, access to client records, etc. Even if funders set such standards as a condition of service delivery, it is advantageous to have one's own policy, perhaps one that aims for a higher level of support.