

## **7 Errors in Developing Policies**

by Bob Harris, CAE

Avoid these errors as the board delves into policy development.

1. **Amending the Bylaws** – Don't be swayed by the volunteer who says, "We need to get that in our bylaws." Let the bylaws remain as a broad governing document; the policies should interpret the bylaws but not be included in them.
2. **Conflicting Documents** - Policies should not conflict with the existing governing documents. View policies as the wisdom of the board in interpreting the bylaws and articles.
3. **Asking the Board to Approve Dozens of Policies** – It can be a mistake to ask the board to sit for hours to review and adopt policies. Assign policies to a committee or staff to review and make recommendations. The board makes the final motion and adoption. Hint: Let policy discussions arise naturally, for example the audit policy may occur when the budget is approved and the line item to fund an audit, review or compilation is discussed.
4. **The Minutes Archival System** – Some executive directors say, "We don't have a policy manual but I can tell you exactly when it was adopted." After meetings or annually, transcribe policies into a manual. Hint: When transferring the policy, reference the date of the meeting in which it was adopted or amended.
5. **Environmental Scan** – Your board is not the first to discuss a conflict of interest policy. Conduct an environmental scan of other associations to determine what they adopted; rely on the resources at ASAE, ACCE, NCNA and their local organizations; and utilize legal and accounting counsel.
6. **Policy Mania** – A good number of policies in a nonprofit is 25 to 50. If the organization has a manual exceeding 100s of statements, or is out-of-date, consider a sunset review. Appoint a task force to review and recommend policies to add or delete.
7. **It Doesn't End with Policy** – Nearly every policy results in *procedures*. For instance, a policy on conflicts of interest will result in the need for procedures to educate the board annually, create and distribute a disclosure form, and to properly record conflicts in the minutes.

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Bob Harris, CAE, offers free nonprofit templates and tips at [www.nonprofitcenter.com](http://www.nonprofitcenter.com). He's been called the Martha Stuart of association management for developing and sharing best-practices.