Policy or Procedure?

You often hear the phrase "policies and procedures." **The similarity in terms may confuse volunteers and staff.**   Consider their source, purpose and retention of each to understand their differences.
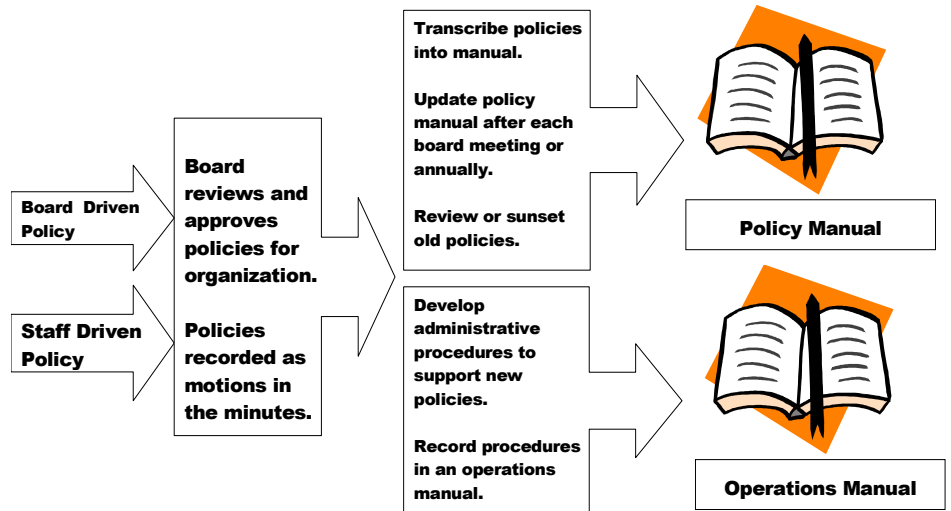
Formulating Policies

Policies are developed by the board and recorded in the minutes. Examples include policies on check signing, reserve funds, investments, diversity, document retention, and endorsements.

Though board driven, sometimes a CEO sees a need for a policy and drafts it for review, adoption and inclusion in the minutes. For example, the CEO may suggest an investment policy based on careful research.

Policies are catalogued in a *Policy Manual*.   For an effective manual, add a table of contents (i.e. finances, education, governance, and meetings) and the date each policy was adopted or amended. Without a manual, one has to search years of minutes to find a policy somebody *thinks* was adopted.   A policy manual should be used in board orientation.

Differentiating Procedures

Procedures are administrative, a way to document staff responsibilities --- they have minimal interest to the board.   For example, the steps for processing a new member are managed by staff and should be documented to be consistent and effective. (The board simply wants to know quality procedures are in place, they do not need to focus on the "how" of organizational administration.)

Board Driven Policy

Staff Driven Policy

Board reviews and approves policies for organization.

Policies recorded as motions in the minutes.

Transcribe policies into manual.

Update policy manual after each board meeting or annually.

Review or sunset old policies.

Develop administrative procedures to support new policies.

Record procedures in an operations manual.

Policy Manual

Operations Manual

Procedures may be a result of policies. A board policy on the chairman's use of a corporate credit card will create *procedures* for submitting receipts on forms and reimbursement timeframes.

Store administrative procedures in an *Operations Manual*. All staff should document responsibilities. If no manual exists, have the staff create an outline or table of contents of the responsibilities needing documentation (and assign deadlines.)   The manual will serve to train staff, reduce interruptions, minimize risks, and promote consistent member service.   An operations manual is the foundation of staff orientation.

Volunteers and staff will recognize the difference in polices and procedures applicable to governing and managing, when the terms are used separately.

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