

The Benefits of Establishing and Communicating Written Policies and Procedures for Non-Profit Organizations

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No matter the size, structure, or mission, a non-profit organization can benefit from developing written policies and procedures and making them accessible to employees. While we often use these terms interchangeably, there are distinct differences between the two. Policies create rules and guidelines to help employees carry out their responsibilities, while procedures provide detailed instructions to help employees follow the organizational policies. The combination of the two creates formal guidance with many benefits, including setting expectations, promoting consistency, and maintaining compliance.

Setting Expectations

Developing written policies and procedures can help an organization set expectations for all its employees. They can communicate employee responsibilities, set standards, and provide guidance expected of organization personnel, including the organization's board and council. Policies should encourage employees to demonstrate the organization's values while defining acceptable and unacceptable employee behavior. These formal guidelines will help establish a standard approach that all employees should follow.

Promoting Consistency

Written policies and procedures also help promote consistency throughout the organization. When such guidance is not written, there is room for misunderstanding. Without formal

guidance, two employees may not handle a situation in the same manner. If an employee is unsure how to handle a situation, they should be able to reference published policies and procedures and determine the appropriate course of action. By developing written policies and procedures, the organization can help minimize misunderstandings or uncertainties. Employees will instead have resources they can reference to guide them to the proper solution, thereby promoting consistency and providing a standard approach.

Maintaining Compliance

Maintaining compliance is another benefit of developing written policies and procedures. If an organization receives federal funding and is subject to a single audit, guidance from the Office of Management and Budget can help ensure policies and procedures promote compliance with regulatory requirements. Internal policies and procedures can always be more restrictive than regulatory requirements, so the organization can tailor them to fit its operations and needs, thereby providing detailed guidance for employees to ensure compliance. Even if an organization is not subject to a single audit, it can benefit from developing written policies and procedures that help employees comply with internal requirements while maintaining compliance with other regulatory agencies.

Development of written policies and procedures may be a significant time investment, but the many benefits discussed above can have an even more significant impact on your organization. Lastly, it should be noted that the benefits of establishing written policies and procedures will not be recognized if they are not properly communicated with employees. Organizations should ensure the following:

1. All employees should have access and know where to find policies and procedures.
2. Provide frequent communication about the importance of following policies and procedures.
3. Employees should be encouraged to reference policies and procedures when making decisions.
4. Ensure policies and procedures are reviewed and updated as applicable.

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