

# GOVERNANCE: ESSENTIAL ORGANIZATIONAL POLICIES AND PROTECTIONS

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## ORGANIZATIONAL POLICIES

- Organizational policies play the role of operational guidelines to protect and guide the organization, its decision makers, and its staff.

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## FORM 990 ASKS ABOUT ORGANIZATIONAL POLICIES

### **Core Policies**

- Conflict of Interest Policy
- Whistleblower Policy
- Document Retention and Destruction Policy

### **“If/Then” Policies**

- Chapter Policy
- Joint Venture Policy
- ~Executive Compensation Policy~

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## OTHER COMMON POLICIES

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|--|---|
| <ul style="list-style-type: none"><li>• Investment Policy</li><li>• Gift Acceptance Policy</li><li>• Expense Reimbursement Policy</li><li>• Confidentiality Policy</li><li>• Code of Ethics</li><li>• Privacy and Data Breach Policy</li></ul> | <ul style="list-style-type: none"><li>• Nondiscrimination Policy</li><li>• Social Media and Publicity Policy</li><li>• Insurance and Indemnification Policy</li><li>• Charity Care Policy</li><li>• Nepotism Policy</li></ul> |
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## CONFLICT OF INTEREST

A fiduciary of a charity has a duty to . . . (b) address reasonably situations that involve the potential for self-dealing in which the interests of a fiduciary or related person may conflict with the interests of the charity...

- Restatement of the Law Charitable Nonprofit Organizations, § 2.02

Other than prohibited transactions (self-dealing, EBTs), the key is disclosure and how the board deals with the facts disclosed (i.e., disinterested review of the matter).

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## DRAFTING POINTS: STATE LAW CONSIDERATIONS

- Draft to encourage compliance with state statutes (e.g., TBOC § 22.230).
- Coordinate policy with provisions of organizational documents.

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