

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

- Investment Policy
- Gift Acceptance Policy
- Expense Reimbursement Policy
- Confidentiality Policy
- Code of Ethics
- Privacy and Data Breach Policy

- Nondiscrimination Policy
- Social Media and Publicity Policy
- Insurance and Indemnification Policy
- Charity Care Policy
- Nepotism Policy

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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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