

19 Essential Policies for Associations

Q: How do we keep our policies up to date? What policies should we maintain?

A: It is good practice to periodically conduct a thorough review of your policies. Many groups don't know what their policies are and end up having "practices" that are out of line with their policies. If your board adopts a motion establishing the authorization required for signing checks, it has established a policy. If the only place where that policy exists is in the minutes from the 2006 board meeting at which the policy was adopted, you probably are not going to have a good handle on your organization's policies. Not everything needs to be memorialized in written policies, but it is very helpful to have overarching policies written down in an organized way. And, of course, if practices don't follow policies, one of them must be changed.

Here is a brief list of basic matters for which every organization should have a clearly established, implementable and accessible written policy:

Governance

- **Conflict of interest.** Cover disclosure and implementation, and guidance on how to manage actual and potential conflicts.
- **Whistleblower.** Provide direction on how to handle complaints alleging financial impropriety. Failure to protect the whistleblower can lead to Sarbanes-Oxley Act violations.
- **Discipline.** Assure a fair "due process" procedure to govern the way members are disciplined. Such policies often include codes of ethics that govern the industry or profession.
- **Authority to speak.** Establish who can act and/or speak on behalf of the organization and include provisions on the use of the organization's name and/or letterhead as well as official titles.
- **Board review of Form 990.** Form 990 asks whether the board has reviewed the Form 990. It is prudent to have an

established policy requiring it.

- **Authority of board, officers, committees.** Detail the duties, responsibilities, authority (and limitations on the authority) of the board, officers and specific committees.

Finances

- **Investment policy.** Establish a basic policy including investment objectives, an asset allocation model, any investment restrictions, reliance on outside investment advisers and a periodic review.
- **Audit.** Provide for an annual outside review overseen by a committee without the influence of insiders (such as the CEO).
- **Internal financial and accounting controls.** Establish who is authorized to sign checks, execute contracts and open the mail (since checks come in as well as go out).

Management

- **Personnel.** Have all employees acknowledge in writing that they have read and reviewed the organization's personnel policies, such as those in an employee handbook.
- **Social media.** Establish what members — especially leadership — and staff are able to say in their capacity as spokespeople. Many organizations encourage social networking, but it is prudent to establish rules.
- **Record retention.** Establish that record destruction should only be undertaken in accordance with the written policy, which should include clear direction and procedures as to when and how to put a "records hold" in place — if the organization should be subject to an investigation or subpoena or even if it believes such an investigation or subpoena is imminent. The best records retention policy starts with good policies on records creation. That would apply to everything from how to take minutes — and what goes

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into them — to using care when sending emails.

- **Review of chief staff officer.** Address when, how and under what criteria the chief staff officer's performance is evaluated.
- **Advertising/exhibiting.** Establish who is eligible to advertise and/or exhibit in the organization.

Risk Management

- **Trademarks/copyrights.** Establish practices for creating, monitoring, licensing and policing the organization's trademarks and copyrights.
- **Speaker releases/author agreements.** Require that all speakers/authors sign a license agreement granting the organization rights to their material.
- **Sponsorship/endorsement.** Establish the circumstances and procedures under which the organization will sponsor an activity or program.
- **Insurance.** Establish coverage and retention limits and risk reduction procedures such as indemnification, releases, waivers and disclaimers.
- **Public position.** Specify how public positions are established.

The aforementioned are examples of the type and scope of policies that organizations may want to have in place. There are many more that may be unique to your organization — governing elections, relationships with chapters or related entities, and use of outside vendors. The list of potential policies is almost endless. But, in every case it is prudent to have them written down, organized and accessible; to regularly review them for accuracy and completeness; and to follow them. ▣

The answers provided here should not be construed as legal advice or a legal opinion. Consult a lawyer concerning your specific situation or legal questions.