

Worksheet 4: Governance Policy Checklist

Use this checklist to review gaps in your policy implementation and/or determine if any need to be updated. Start with those recommended by the IRS, especially if you're using a legal entity (e.g., business, foundation, or investment fund) to achieve social impact. Then implement the policies recommended by NCFP and others as most important for effective governance. Then, review the additional policies to determine which may apply to your current and future needs.

In Place Yes/No	Last Updated	Formation Documents
		Legal papers such as articles of incorporation, bylaws, declaration of trust, or fund agreement; annual federal and state tax filings
		Guidance from founders such as a donor intent letter or video, legacy video, or purposeful trust

In Place Yes/No	Last Updated	Policies recommended by the IRS
		Conflict of interest: the criteria for real or perceived conflicts and how the group will disclose and manage the conflicts. Some donors will add in ideas around ethics or values. In practice, decision makers should annually sign disclosures of conflicts.
		Whistleblower protection: to protect an employee or volunteer from retaliation in a situation where they choose to report misconduct (also required by the Sarbanes-Oxley Act).
		Document retention and destruction: to protect from accidental or intentional destruction of paper and electronic files and communications (also required by the Sarbanes-Oxley Act).
		Joint venture: to identify, disclose, and manage any relationships with for-profit businesses.
		Gift acceptance (if you're fundraising): to review, accept, and substantiate contributions.

In Place Yes/No	Last Updated	Policies recommended as essential by NCFP
		Philanthropic purpose or family charter: including elements such as vision, mission, values, principles, and donor intent.
		Statement of responsibility or job description: for the board (or another governing group), built on information in your bylaws and articles of incorporation.
		Code of conduct: the ground rules for behavior, communication, and decision making.
		Confidentiality: to clarify which information is not to be shared with the public and/or with advisors, consultants, and grantees. Note that nonprofits and foundations must disclose their annual tax returns to the public.

Worksheet 4: Governance Policy Checklist — Continued

In Place Last
Yes/No Updated

		Grantmaking (or scholarship, fellowship, etc.): to clarify priorities for impact and roles in recommending, reviewing, and awarding.
		Investment (if applicable): includes philanthropic purpose, definitions of duties, objectives and asset allocation framework, risk and liquidity, and operations and decision-making guidelines. Some philanthropic vehicles have a <i>spending policy</i> in this document, while others make that a separate policy. Some include <i>impact investing</i> guidelines in the primary investment policy while others create a different policy.
		Diversity, equity, and inclusion: a statement or policy describing the organization's overall goals and values. Having this in place will then cause revisions to other policies and practices (e.g., diversity of the board or a culture of inclusion in grants processes).

Policies to add over time

In Place Last
Yes/No Updated

Add these policies to create more clarity, especially before new generations, new advisors or volunteers, or new staff join you in your work.

		Committee charters or job descriptions, which might be informed by your bylaws.
		Criteria for service for both board and committee members.
		Meeting frequency and agenda formulation.
		Financial policies addressing compensation, budgeting, spending authority, travel, and reimbursable expenses.
		Communications or media and social media.
		Assessment and renewal of the board and organization.
		Others that put your philanthropic purpose into action such as green or sustainable workplace, employee volunteerism, employee wellness.