



# Touchstone

## Best Practices to Expand Your Reach



**Best Practice (BP)** | Best practices are specific, discrete ministry activities that measurably increase program scale, effectiveness, and/or efficiency, and can be replicated by other National Ministries. Best practices should be supported by evidence (data).

## BP#19: Compliance Policy Development.

### Benefits:

Compliance policies reinforce internal governance structures, increase transparency and minimize the risk of corruption. They can also be used to strengthen the organization's reputation the eyes of key stakeholders.

Christian nonprofit organizations often expect that people will always make the right decision and act with integrity. But, if our organization fails to put structures, processes and controls in place identifying right practices and what is expected, we have failed to properly steward our offices and our people. It is not our employees or volunteers who have failed, but we who have failed. We are stewards of the gifts God has given (e.g., people, finances, time, access, mission), so we must be intentional about stewardship in these areas.

The benefits of providing that level of stewardship include:

- Trustworthiness.
- Increased employee understanding.
- Transparency and clarity.
- Accountability and responsibility.
- Standardization.
- Potential financial benefits.

### Planning Considerations (How to do it):

- Identify the purpose of a compliance policy for your organization.
  - o Some essential purposes are:
    - Providing a baseline expectation for all staff.
    - Identifying expected practices.
    - Identifying consequences for violation of policy.
- Conduct a needs assessment with your executives and board.
- Identify roles and responsibilities and how duties will be segregated.
- Draft the compliance policy keeping in mind that it should be simple/clear, reasonable for your organization, scalable and focused. (Note: It is important to align with local laws when drafting compliance policies.)

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**POC (contact  
for more info):**

PFI Capacity Building  
Team

PFI Europe Regional  
Office

- o Suggested areas for a compliance policy:
  - Roles and Responsibilities.
  - Dealing with Partners and Third Parties.
  - Conflict of Interest.
  - Confidentiality.
  - Computer Policy.
  - Data Protection.
  - Environment, Health and Safety.
  - Violations.
- Build additional compliance tools (e.g., conflict of interest disclosure form, confidentiality agreement, child protection policy).
- Review, discuss and document feedback from staff and board leadership.
- Present the final version to the board for approval.
- Train staff members on the compliance policy.
- Review the policy regularly (recommend every 12 months).

**Required Resources (What you Need to do it):**

**1. Human Resources.**

- Someone to lead the development of the policy.
- Someone to document the policy discussions and decisions.
- Someone to gather feedback from stakeholders.
- Someone to write the policy.
- Someone will need to develop supporting forms/policies.
- Someone to conduct training.
- Someone to lead regular policy review.

**2. Collateral**

- Document the draft(s) and final approved policy.
- Create compliance forms.

**3. Time**

- Time to meet with stakeholders.
- Time to write a draft policy and make subsequent changes.
- Time for the board to meet to approve the policy.
- Time to train staff and volunteers on the policy.
- Time to review the policy regularly.

**4. Space** Space to hold meetings and to conduct training.

**5. Cost** The cost varies. Considerations include meeting, travel and communication (email, phone, text) expenses.