

LAWYERSCLEARINGHOUSE

Affordable Housing • Community Development
Nonprofit Legal Assistance • Homelessness Prevention



Nonprofit Topic

Background Information on Nonprofit Policies

Nonprofit policies provide guidance on key areas, such as:

- Good governance
- Legal requirements
- Employees, interns and volunteers
- Risk management
- Relations with clients/program participants
- Donor relations

Some policies are recommended for all nonprofits, and some are required by law. Beyond that, the policies adopted by a particular nonprofit depend on its size, activities, culture and capacity.

Good Governance Policies

The National Council of Nonprofits provides background information on good governance policies for nonprofits, including those that the IRS asks about on Form 990:

- Conflicts of Interest Policy
- Data Retention/Destruction Policy
- Whistleblower Protection Policy
- Joint Venture Policy

<https://www.councilofnonprofits.org/tools-resources/good-governance-policies-nonprofits>

In addition, recent presidential executive orders regarding illegal discrimination highlight the importance of an Anti-Harassment and Nondiscrimination Policy.

WISPs

Massachusetts law requires that every person that owns or licenses “personal information” about a Massachusetts resident must develop, implement, and maintain a written information security program (WISP) to protect this information.

For purposes of this law, “personal information” means: A Massachusetts resident’s first name and last name (or first initial and last name) plus their (i) social security number; (ii) driver’s license number or state-issued ID card number; (iii) financial account number (such as a bank account number) or credit or debit card number.

Organizations with employees will have personal information about the employees (such as their names, bank account information and social security numbers), and many nonprofits will have personal information about donors (for example, the donor’s name and their bank account number on a check, or their name and credit card number).

Additional Policies

There are many other types of policies and waivers/releases that an organization may need or want to consider, with respect to employees, volunteers, program participants, and online activities. A partial list of some types of policies is below.

Financial Management Policies

The National Council of Nonprofits provides an overview of nonprofit financial management policies: <https://www.councilofnonprofits.org/running-nonprofit/administration-and-financial-management/financial-management>

Employees, Interns and Volunteers

- Whistleblower Protection Policy
- Anti-Harassment Policy / Crisis Plan
- Anti-Discrimination Policy
- Internship Policy
- Social Media Policy
- Confidentiality Policy
- Employee Handbook (which may include additional governance and HR policies)
- Volunteer Handbook
- Executive Compensation Policy

Liability Waivers; Releases

- Policy and Release for background checks (employees and volunteers)
- Volunteer and Participant Liability Release
- Media Release/Waiver
- Carpool and Transportation Liability Waiver (parents and legal guardians of youth participating in the nonprofit’s programs)

Data and Online Policies and Waivers

- Website Terms and Conditions, and Privacy Policy
- COPPA Consent Waiver (Children's Online Privacy Protection Act)
- Document Retention/Destruction Policy
- Data Security Policy (including WISP)
- AI Policy (artificial intelligence)

Donor Privacy Policy

Donors should be protected by the nonprofit's privacy policy, which is included on nonprofit's website along with its website terms and conditions. In addition, some nonprofits have a Donor Privacy Policy. Charity Navigator posts a short Donor Privacy Policy on its website: <https://www.charitynavigator.org/about-us/financials-and-policies/donor-privacy-policy/>

Longer Donor Privacy Policies may include what information is collected, how the nonprofit uses donor information, whether or not the nonprofit sells, trades or shares donor information (and if so, whether donors can opt out), and more. The level of detail depends on the organization.

Policies for Specific Services and Activities

A nonprofit's services and activities may require certain policies or make it advisable to adopt them. For example, policies related to healthcare records, intellectual property policies, etc.

Nonprofits that may interact with ICE (U.S. Immigration and Customs Enforcement) at the nonprofit's workplace or facilities, or during the nonprofit's program activities, often adopt a policy to guide staff during such interactions.

Programs and Services for Youth

Many nonprofits that contact Lawyers Clearinghouse provide programs or services for youth. These nonprofits should consider adopting some or all of the following policies, depending on the organization's specific needs and activities.

- Background check policy
- Reference check policy
- Policies for staff and volunteers:
 - Code of conduct (including, for example: respect and inclusiveness, physical contact, social media, communication boundaries, anti-harassment, non-discrimination, no profanity or off-color jokes, no smoking, drugs or alcohol, dress code, etc.)
 - Mandatory reporting

- Adult-youth interaction policies (for example, one-on-one limits)
 - Data and privacy; use of photos
- Participant code of conduct
- Participant waivers/consents
- Volunteer waivers/consents
- Corrective action policy for problem staff and volunteers

Disclaimer: This information is provided for educational purposes only. It is not intended or offered as legal advice. Please consult an attorney for the latest and most accurate information and to review which policies are required and recommended for your organization.