

"It is not our job to apply laws that have not yet been written."

—Majority opinion in 5-4 ruling that allowed consumers to use videotape recorders to tape television programs for their own use; January 17, 1984

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Policies and Procedures That Work

Having a policies and procedures manual in place may make the difference between smooth transitions and troubled times. Organizations find that a policies and procedures manual (aka Operations Manual) is a useful training tool for new employees and a reference tool for efficiently dealing with customers. Well thought out policies and procedures can head off potential trouble during the course of regular business. Any employer that decides to implement personnel policies and procedures and/or prepare and distribute an employee handbook must first evaluate its own culture and its desire to communicate to employees in a more formal and structured manner. If an employer decides to issue an employee handbook or policy manual, the following materials provide an overview of some of the issues an employer must address when preparing a handbook or policy manual. All policies should be tailored to reflect the employer's own business and unique needs. The materials contained herein are not intended to constitute or provide legal advice. Employers drafting or revising an employee handbook or employment policy manual should have that handbook or manual first reviewed by legal counsel before implementing and distributing to employees.

Let's take a look at what a policies and procedures manual should include, how your agency can prepare one and how to avoid common mistakes.

- **Policy:** A policy is a statement of operating intent that explains a particular action or function and why it is necessary. Written in terms that allow for some flexibility in interpretation. (i.e. *"We offer a money back guarantee if not completely satisfied."*) Policies help dictate employees' general behavior and are intended to serve as guidelines for implementing plans and solving frequently occurring problems. Policies will not be effective if your employees do not understand your organization's overall objectives and goals.
- **Procedure:** A procedure is a prescribed method for implementing a policy. Procedures are the established protocol for the implementation of a policy. It is usually an extensively detailed statement and specifically limits or directs the actions of those involved. (i.e. *"To process a customer refund request: Fill out the top section of the blue form titled..."*)

How to Get Started

Create a master file for all documents you'll need in preparing your manual. Start a three-ring binder or use computer technology to maintain and manage all pertinent documents. A three-ring binder may be the best format for maintaining employee handbooks. Revisions can be made without reprinting the entire document.

Each page in the manual should be dated to reflect its timeliness. There are a variety of policies and procedures which reflect the business policies, practices and operations of a particular employer. Divide the manual into sections for each major area. Collect existing policies and procedures related to each section. Manuals or documents that indicate or describe the organization's policies on various issues will be helpful. For sections where your agency has not adopted written policies and procedures, insert blank sheets of paper. Use them to draft outlines of what you think your organization's policies and procedures should be for these areas. To ensure consistency, objectivity and uniformity in the interpretation and application of such policies and procedures, and to give employees the opportunity to understand the rules and regulations which govern their working environment, employers may want to consider including in a handbook some of the following

sections and/or policies and procedures:

A. Introduction

In this section the employer should welcome employees to the company. The history of the organization and vision / mission statement should be included at the beginning of the policy manual.

B. Employment Issues

There are many personnel (human resources) issues that arise in the operation of any business. Employers may want to consider writing guidelines and rules relating to any of the following:

- employment of relatives
- employee medical exams
- immigration law compliance
- conflict of interest issues
- outside employment
- non-compete statement
- non-disclosure statement
- access to personnel files
- drug testing policy
- blood borne pathogen (including AIDS) policy
- personnel (personal status changes) data changes
- introductory / probationary / training period
- work schedules
- rest and/or meal periods

A handbook or policy manual should always be reviewed to make sure that the written language actually means what it says and does not say or imply something about the employment relationship that the company does not intend. Every word of an employee handbook should be read carefully to see if it can be interpreted to mean something different than what the company intended it to mean. Any promises or guarantees in a handbook or policy manual should be eliminated unless the employer is prepared to be bound by its promises and guarantees. Avoid the use of “will,” “shall” or “must” when discussing employer’s obligations toward employees. These words tend to connote a contractual guarantee. Eliminate any promises or representation made of “job security” or promotional opportunities. The employer may have a legal obligation to fulfill these perceived promises if found in the handbook.

C. Operational Issues

There are also many issues that arise in the day-to-day running of any business. Employers may also want to consider writing guidelines and rules relating to any of the following:

- safety
- business expenses
- use of phone and mail systems
- emergency action plans
- program information
- use of company equipment and vehicles
- tobacco use
- uniforms
- finance and accounting
- facility operations
- customer service
 - registrations

- refunds
- transfers
- orientations
- FAQ's
- forms, etc.

Add other sections that your agency considers vital to its success. It is a good idea to annually review your employee handbook to see whether any revisions are required. Although the cost of regularly updating the handbook is a consideration, the ramifications of not doing so could be much more substantial. Failing to maintain your handbook increases the likelihood of legal action by a disgruntled employee or a serious.

After deciding to write or update your policies and procedures manual, put it on the agenda for the next staff meeting or meeting of the board of directors. This is so management can prioritize the project and allocate resources to complete it.

Manual Dos and Don'ts

Developing an effective manual will take time, and you may be hesitant to start. Keep in mind the benefit of producing your own manual—and learn from other peoples mistakes. Here are some dos and don'ts to help you avoid common mistakes that can lower employee moral, waste staff time, drain income, and risk costly lawsuits and legal actions.

Don't just write down policies as you need them. Some agencies don't see the need—or don't want to take the time—to decide on their policies and procedures comprehensively in advance and put them in writing. Instead, they wait until a problem has arisen and its handling has been botched. Learning the hard way is not recommended, especially when you consider that every organization has sets of issues that can lead to big problems.

Do write the policies and procedures manual early in your operation's life. Review it periodically for needed changes or improvements. Accounting and computer policies and procedures, in particular, require more frequent updating as you change accounting software programs, outsource operations or return them in-house and adapt to technological advances. Manuals updated to reflect these types of changes are more useful for employees.

Don't copy another agency's manual. Copying someone else's manual is common. Although it may be quicker and cheaper in the short run, it could cost more in the long run. And you may implement policies and procedures you do not understand or that do not apply to your organization. It is acceptable to use another operation's policies as a template but take the time to create your own set of procedures.

Don't write your manual as though you distrust your employees or customers. Writing your manual as though you are expecting trouble and don't trust or respect your customers and employees is bound to create resentment and resistance. Employees will perceive the manual as something negative that is being imposed on them. Customers will soon recognize restrictive policies and archaic procedures and take their business elsewhere.

Do ensure your manual conveys to customers and employees that you are committed to providing a quality business environment. This means a manual that enables every employee to reach his or her highest possible level of professional fulfillment. In return, you hope that your employees will expend maximum effort toward performing their jobs and achieving your organization's goals.

Don't discount the value of documented policies and procedures. Many organizations take the initial step of writing down their policies and procedures, and then fail to take final steps that give them the protection they need. They neglect to have employees "sign off" on the policies, and they

fail to document problems when employees violate the policies or fail to perform their jobs' essential functions.

Do thoroughly document employees' performance problems and policy violations in writing. If employees violate your policies or fail to perform jobs adequately, you will ultimately be forced to take corrective action. You may have to discharge employees, after which they'll immediately seek unemployment compensation. Fortunately, you may not be liable for the claim if you can show the discharge was for a valid, business-related cause. Documentation can help protect your rights and control possible litigation costs.

A Good Start

Once you have a rough draft of your organization's policies and procedures. You may need to present it for review at this stage or after you have reviewed it in detail and begun customizing it to fit your special goals and needs. In either case, your policies and procedures manual will likely undergo many management and commission revisions – it should be considered a “working document” that may never be a final edition. When distributing handbooks (whether new or revised) to employees, it is highly recommended that the employer include a separate acknowledgement form to be signed by the employee and returned for retention in the employee's personnel file.

The form should acknowledge receipt of the handbook, indicate that the employee has agreed to read and become familiar with the provisions contained in the handbook and acknowledge the at-will relationship. A form which contains this above information and is signed by the employee will provide the employer with a better defense against breach of contract claims:

Employers may want to add a statement to the employee acknowledgement form or in the introduction section recommending that employees consult their supervisor or human resources manager if they do not understand any statements or policies or procedures in the handbook.

Continue to update and improve them and your organization will benefit from policies and procedures that work.

Next Time – ***“The Advantages of Professional Memberships”***

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