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WRITING POLICIES AND PROCEDURES MANUALS: WHAT'S A POLICY? WHAT'S A PROCEDURE?

By **Juliet Kontaxis**

"Juliet Kontaxis and the Benchmark Technologies team have been helping clients develop procedures manuals for over 20 years. Their methodology is detailed in Rapid Documentation of Policies and Procedures: The Handbook."

INTRODUCTION

Groups putting together a policies and procedures manual frequently ask how a policy differs from a procedure. It's an important question to consider before beginning work on a policies and procedures manual, as the answer will fundamentally shape how the manual is organized. The organization of the manual is critical, because it impacts the manual's usefulness as a resource to stakeholders, as well as how easily updates can be made to the manual as the business or organization evolves.

This article, based on my experience advising complex organizations, outlines an approach for differentiating policies from procedures and efficiently organizing a policies and procedures manual.

POLICIES VERSUS PROCEDURES

Put simply, a policy is a rule established by the organization to achieve a goal supporting the organization's mission and strategies. For many policies, the goal is related to risk management and/or regulatory compliance. Additionally, policies may support strategies for differentiating the organization's products and services, developing new products and services, attracting and retaining talent, or managing costs.

Procedures describe how a policy or parts of a policy are implemented. Some procedures that describe single tasks or activities may not be governed by any policies.

EXAMPLES OF POLICIES AND RELATED PROCEDURES

Many organizations have policies governing travel and entertainment. The policies generally include guidelines on eligible expenses, allowances, approval, and reporting requirements. The policy may also stipulate that a travel and expense report must be filed within a specific period of time.

The procedure "Submit Time and Expense Report" would detail how to complete and submit the travel and expense report. The report could be a hard-copy form that needs to be completed with receipts attached, signed by authorized signatories, and submitted to Accounts Payable. Or the process could be automated.

An organization may also have a policy related to building security restricting access to authorized individuals carrying a visible and valid photo security pass while in the building.

Supporting procedures would cover several processes, including "Issue/Terminate Security Pass", "Control Building Access", and "Monitor Compliance with Security Pass Requirements." These procedures may be implemented in a variety of ways - for example, security staff might inspect each staff member's security pass before allowing admittance to the building, or there might be an electronic barrier activated by the security pass allowing admittance.

BENEFITS OF SEGREGATING POLICIES FROM PROCEDURES

The primary benefit of separating out the rules or policies from how the rule is implemented is efficiency. Policies generally change infrequently. In most organizations, changes to policies must be approved by one or more members of senior management, which may delay the issuance of the updated policy.

Supporting procedures detailing how the policy gets implemented will change more frequently as the result of a variety of factors, including process and control improvements, new technologies, and re-organizations. Updates to procedures documentation generally only require sign off by the process owner. Assuming the procedures are well organized, updates can be made and rapidly communicated to stakeholders. This ultimately improves the overall ability of the organization to implement new procedures expeditiously.

Procedures which have been embedded in policies are generally more time consuming to update, especially if senior management approval is required. Verifying procedural documentation may not be the most effective use of senior management's time.

CONCLUSION

Thinking through the best way to organize documentation of an organization's policies and procedures before developing a policies and procedures manual provides sustainable benefits. Isolating the documentation of the organization's policies or rules from documentation of supporting procedures simplifies and speeds updates to the documentation.

If you would like further details on the strategies outlined in the article, please visit: http://www.rapiddocumentation.org.