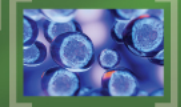




National Science Foundation

Division of Institution and Award Support (DIAS) Resolution and Advanced Monitoring Branch Constructing Effective Policies and Procedures Tip Sheet



Overview

Policy: A policy is a statement of a goal, outcome, or standard that is being set by an organization. A policy describes what an institution is trying to achieve or what standard/rule the institution is setting for itself. When written clearly and in easy-to-understand language, policies explicitly outline the organization's expectations of employees. Policies are typically short and rarely change. When policies change, it is often the result of legal/regulatory mandates or shifts in organizational priorities. A very short policy might be, "We charge only allowable costs to Federal awards."

Procedures: A procedure describes the actions that will help meet the policy standard(s). Good procedures provide step-by-step, user-level instructions for who, does what, when, in what order, using what systems or tools, to provide what output. When well written, employees with little familiarity with the overarching policy should be able to follow them. Procedures may be short or long depending on the number and complexity of steps. Policies should be regularly reviewed to incorporate processes, systems, or roles/responsibilities changes.

Organizing Principles: There are two schools of thought on how policies and procedures are organized: 1) Policies are grouped separately from procedures; and 2) Policies are kept with the procedures that support them. The first approach makes it easy for users to rapidly review all of the organization's policies but comes at the cost of separating the "what are we doing" (policy) from the "how are we doing it" (procedure). The second approach provides a clear link between the policy and supporting procedures and works well for policies that have a one-to-one relationship with the procedures. However, some policies have a one-to-many relationship to the procedures. Consider the example allowable cost policy above. Several procedures might support that policy: a) Steps in the acquisition procedures to verify that proposed procurements are allowable, b) post-procurement procedures to verify that incurred costs were, in fact, allowable, and c) procedures to remove unallowable costs mistakenly charged to an award. Organizations should be thoughtful in determining how to organize their policies and procedures.

Common Elements of Policies and Procedures (not all will apply in every instance)

- **Purpose** – The purpose explains the goal of the policy. For example, an allowable cost policy has the goal of ensuring that the awardee complies with sponsor regulations regarding award expenses. (policy)
- **Scope** – The scope explains who the policy pertains to and who it does not. Some policies may apply to all employees, contractors, and volunteers; other policies may only apply to a subset of employees. (policy and/or procedure)
- **Policy Statement** – As described above, the statement is the standard, rule, or intended outcome the policy needs to communicate. (policy)
- **Procedures and Responsibilities** – In sequential order, clearly describe the action steps. Be sure to include who performs the step, when the step is performed, and what systems or tools will be used. If the procedure is intended to result in an outcome (e.g., a journal entry), be sure to describe it. Consider including consequences for not complying with the procedures. (procedure)
- **Definitions** – Include terms that may not be well known to all users or that may need clarification to ensure compliance. (procedure)
- **Points of Contact** – Provide contact information for who the employee can approach if they have questions on the policy or procedure. (policy and/or procedure)
- **References** – Include links or references to legislation/regulations that support interpretation of the guidance. Also consider references to related policies, procedures, or other guidance. (policy and/or procedure)
- **Effective Date** – State the date this guidance went into effect, as well as the date of any subsequent revisions. (policy and/or procedure)
- **Approvals** – Identify when and who approved the guidance. (policy and/or procedure)
- **Examples or Other Helpful Guidance** – Consider including additional examples or guidance that may help clarify how to apply the procedures. This can be particularly helpful when judgment is required. (procedure)