# THE POLICY GOVERNANCE FRAMEWORK

Policy Governance is a system that enables Boards of Directors to clearly communicate how they want to lead and manage an organization. The structure works well for both non-profit and for-profit Boards. It creates a coherent framework that leads to stable leadership over time.

Other advantages of Policy Governance include the following:

- It clarifies the Board's role by defining what is and is not acceptable to the Board;

- It provides clarity of management's role by empowering the top executive or general manager to achieve specific results within the boundaries set by the Board;

- It enables the Board to control management without meddling;

- It provides a systematic way for the Board to rigorously monitor and evaluate the organization's performance;

- It provides a clear way for the Board to evaluate the chief executive or general manager's performance.
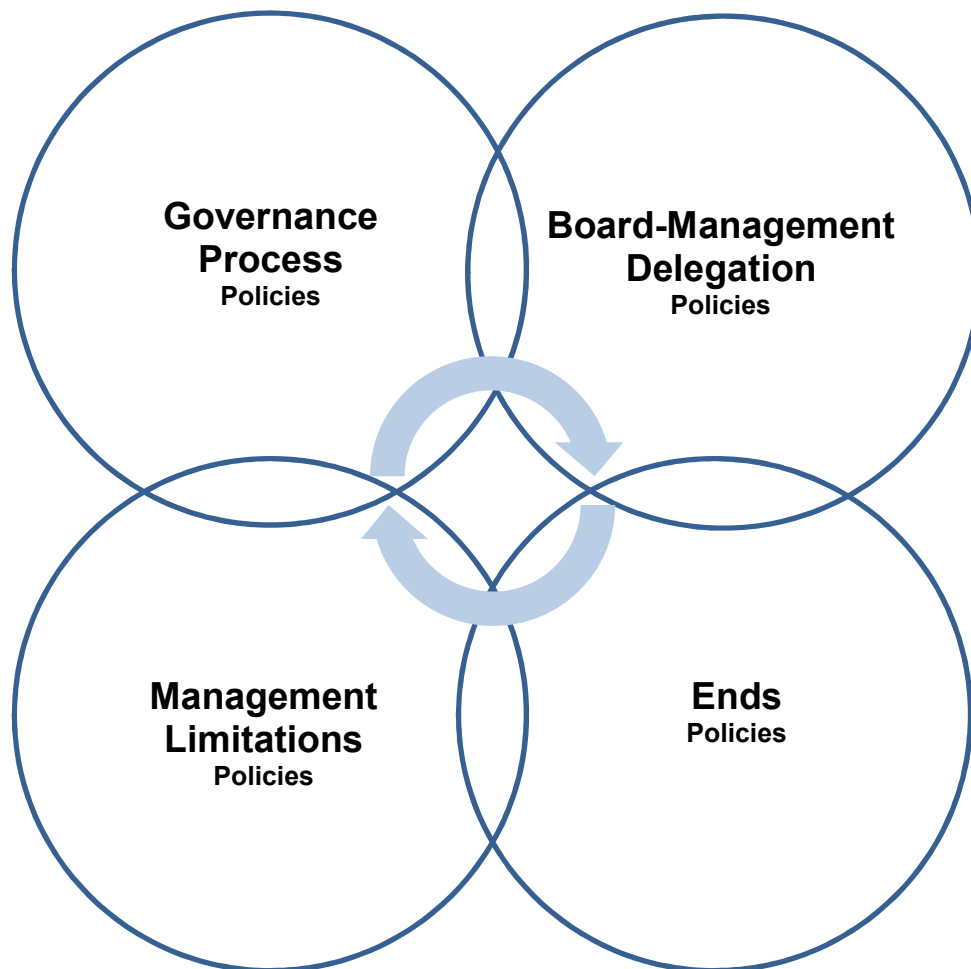
1. Governance Process Policies

Policies found in this category describe the Board's job, the Board chair's role, Board committee roles, and the Board's link to its customers and stakeholders.

2. Board-Management Delegation Policies

Policies in this category describe the nature of executive delegation, and the method of monitoring, evaluating, and compensating the top executive.

3. Management Limitations Policies

Policies in this category define specific conduct, circumstances, practices, and so forth that the Board sees as unacceptable means to achieving the defined ends. It is verbally negative but psychologically positive in that the chief executive or general manager is authorized to make any decisions and engage in any activities that do not violate these policies.

4. Ends Policies

Policies in this category addresses the results (or "ends") that the Board wants the chief executive or general manager – and by extension, the organization – to achieve.