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Lawyers



Charities Healthcheck

(and the questions you should ask)

A collaborative guide

Part 5/6

Policies

edited by Steven Moe

To go fast, go alone. To go far, go together.

Thanks to every contributor of ideas listed here (alphabetically) - a truly collaborative effort to get input of so many ideas from so many, and I hope the start of many examples of coming together! Join us by sending your thoughts for future editions so it can always be improved and refined.

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Cover Image: Braided River Reflection

Braided rivers in Aotearoa New Zealand are unique because they change often, moving along in the same general direction, but never ever staying exactly the same.

Trying to plan every aspect of your life means you'll miss out if you try to stay in one stream. A lot will come down simply to this: persistence, serendipity and the relationships you cultivate.

Then the magic ingredient to really see new opportunities, is that you have to be willing to also let directions shift, like a braided river, and go where the water of new opportunities are flowing.



Image: The afternoon sun reflecting off the braided Rakaia River flowing out of Lake Coleridge, captured on a flight south to Queenstown.

Edited by Steven Moe

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Additional thoughts? Send them to
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Introduction:

Kia ora and welcome to this collaborative guide.

So what is a “collaborative guide”? I really just made that name up to represent that this only exists because so many have contributed to it.

I went out to ask for input on an initial draft of ideas and was overwhelmed by the response of so many who felt the same - that we want to ask the right questions to support charities and “for purpose” organisations to stay safe. Thanks to you all!

I’ve helped many hundreds of these groups and they consistently face the same issues. Those are refined down in this guide through a series of themes and then questions so that you can learn quickly what often only gets found out by trial and error.

Why not choose a theme and then ask just those questions at your next board meeting and consider the answers together? Even if you have run a charity for a long time, they will be good reflection points - we can all be constantly learning.

This Charities Healthcheck sets out the key legal risks that charities should know about, and could work to improve, to mitigate risks to Board members and the organisation.

This is not a textbook. It is not long. It is deliberately high level. It’s a guide - like when you are in another country and someone takes you on a tour of a local place, and you get more insight than if you walked around it on your own.

Hopefully this is also a project that evolves over time - and it will be updated each year based on feedback received.

The plan is to revise and reissue this next year, so we welcome comments ahead of 1 September 2024. So, if there are ideas you have to contribute, send them over to me and we can consider adding them - maybe different questions or expanded ones, other resources, different topic ideas.

Originally I called this 15 Key Issues Charities Face but now have split that into these parts of the guide so that you can focus on things by these themes:

- **Part 1: Overview**
- **Part 2: Governance**
- **Part 3: People**
- **Part 4: Assets**
- **Part 5: Policies**
- **Part 6: Faith Groups**

My role is to be a catalyst to solve your legal problems. With a team of lawyers focused on “for purpose” organisations and 80 staff across four offices, we are New Zealand’s leading law firm for charities, churches, companies and entrepreneurs who want to do things differently - with purpose and impact at your core.

This guide is just one example of supporting this area, so check out some others as well - these range from [Seeds Podcast](#) (350+ conversations), picture book [The Apple Tree](#), [the Reimagining Business book](#), the upcoming [Seeds Impact Conference](#) in October (just \$20 for a day with 27 change-making sessions) and guides like the [Charities in New Zealand: A Legal Handbook](#).



Together, let's make things better.

Ngā mihi,
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The Seeds Impact Conference will be held on 5 October 2023, with 27 sessions held over four zoom rooms and only \$20 to attend - more info and you can sign up here:

<https://seedsconference.nz/>

■ Part VI: Faith groups

26. Faith groups

Resources



Why do policies matter?



Policies help give direction to those involved in an organisation so they are paddling the waka in the same direction. Without policies there may be assumptions and lack of clarity.

They will also help to keep management accountable to the Board and should reduce risk.

To distinguish, there may be policies relating to:

- **Governance** - policy with Board-level risk or with strategic implications, regarding decision making processes.
- **Operational** - for the practices across a range of activities or may relate to a specific activity. They may clarify roles and responsibilities and delegations of authority too.

A template could be used with the content changing, so there is consistency across policies in an organisation. It could include when the policy was created and last revised.

A danger to avoid is having so many policies which are each so long that no one reads any of them. Some of the best policies will be short and to the point. Some policies may be suited to including illustrations so that staff can easily access the content (e.g. health & safety).

We are in the process of trying to pull together commonly used policies including many identified in this part of the Healthcheck.

Part V: Charities

Healthcheck: Policies

19. Policies

Why is this important?

Having good policies in place will ensure that you stay up to speed with many aspects of keeping your organisation healthy.

Questions to provoke discussion	Your notes	Ranking (of 10)
What policies do you have in place?		
Policies can become large and are not read, living in the bottom drawer gathering dust. How do you keep your policies realistic, practical and up to date?		
How often do you review your policies?		
Key resource: Charities Guide		
What review processes have trustees agreed to?		
Is it clearly defined which policies are the responsibility of the Board to write and which policies are the responsibility of management to write?		
Board selection/induction policies		
How do you decide what policies you need? For stakeholders benefits/who are the stakeholders and what are their needs?		
Organisational change, regulatory, environment and compliance change. They should be reviewed annually on a rotating cycle, or earlier if environment/regulations are about to change or have been identified as a risk.		
Document control, storage and access policies. Is a document control system being used (online). Is a board reporting system being used? How are policies stored and who has access to master documents? The website is the best site for access to policies and available to members and stakeholders.		

19. Policies - Cont.

Questions to provoke discussion	Your notes	Ranking (of 10)
If appropriate for your context, does the charity have a Policy & Security Committee / Audit and Risk Committee / Finance Committee / Fundraising Committee / Special Committees? How often do they meet and what is their mandate? Make sure it's a senior team. Part of governance policies.		
Is there a process for related party transactions and conflict of interest?		
Do you have a policy for (approval of) asset purchasing & disposal? Do you maintain an accurate asset register, with depreciated values included?		
Are you reinventing the wheel or can your reach out to a like-minded organisation who may already have policies?		
[Note: Not all of what follows will apply! It looks overwhelming but only choose those which are relevant and consider if you need them, or not]		
Protection Policy for children and other vulnerable persons		
Volunteer Management Policy		
Non-disclosure agreement for volunteers		
Communications Policy		
Media Policy		
Data Deletion Policy		
Data Governance Policy / policies on collection of qualitative data		
Vehicle Operating Policy, (business/personal use - FBT risk)		
Travel and Accommodation Policy		

19. Policies - Cont.

Questions to provoke discussion	Your notes	Ranking (of 10)
Reimbursement of expenses, description, time, format, approval process (may include mileage allowances)		
Whistleblower / Feedback from Employees Policy		
Anti-Money Laundering and Countering of Financial Transactions Policy (to comply with Anti-Money Laundering and Countering Financing of Terrorism Act 2009).		
Risk Management Policy (may be incorporated in governance policies) to identify, assess, plan, mitigate and report on risks and issues between board and management.		
Business Continuity policy (may be incorporated in risk management policy).		
Code of Conduct Policy (may be included in governance policies)		
Cybersecurity Policy		
Membership policies, subscriptions policies		
Donations policies. Are donations tax deductible? Must be a registered charity to qualify. All donations over \$5 require an invoice and registered Charity number included on receipt. Limitation on donations to political parties		
Fundraising/special events policies		
Sponsorship policies		
Managing change policies		
Intellectual property policies		
Consumer Protection Policy		

19. Policies - Cont.

Questions to provoke discussion	Your notes	Ranking (of 10)
HR policies, induction, HR resourcing, job descriptions, internal/external delineation of expertise		
Health and safety policies		
Insurance policies		
Anti-slavery policies		
Climate disclosure standards / carbon mitigation policies		
Cultural policies		
Learning and development policies		
Training policies		
Privacy Policy		
Working From Home Policy		
Hours and Leave Policy		
Parental Leave Policy		
Disaster Recovery Plan		
IT Disaster Recovery Plan		
IT Security Policy		
Bring Your Own Device Policy		
IT Vulnerabilities Policy		
Record Management and Retention Policy		
Publications Policy		

19. Policies - Cont.

Questions to provoke discussion	Your notes	Ranking (of 10)
Financial Reserves Policy		
Performance Management policy		
Recruitment and Onboarding Policy		
Disciplinary and Grievance Policy		
Complaints Policy		
Rewards and Remuneration Policy		
Resignation and Retirement Policy		
Redundancy Policy		
Diversity, Equity and Inclusion Policy		
Food Safety Policy		
Hospitality, Gifts and Koha Policy		
Event Management Policy		
Speakers Fees Policy		
Sustainability Policy		
Strategic Planning Policy		

20. Te Tiriti o Waitangi

Why is this important?

Being clear on your relationship with tangata whenua and the Treaty is important here in Aotearoa New Zealand - these questions will help you consider that.

Questions to provoke discussion	Your notes	Ranking (of 10)
How do you articulate how the principles of Te Tiriti o Waitangi apply to your organisation?		
Have you considered the relationship with your local iwi?		
Do you have someone who can help you on the journey of understanding your organisation and its role, from a Māori/Pasifika perspective?		
Key resource: Kate Frykberg's reflections on this		
Have you considered how you name initiatives and follow correct processes?		
Have you considered providing training in the area of building cultural competency for your staff?		
Is there a basic understanding of te reo Māori, te Ao Māori, Te Tiriti o Waitangi, tikanga and kawa or protocols e.g. use of karakia?		
Are you familiar with the Māori and non-Māori history of your area, including Treaty settlements, NZ wars, land confiscation etc?		
Does your founding document acknowledge/include Te Tiriti o Waitangi/Treaty of Waitangi?		
A really good resource for community organisations is here and The Treaty Resource Centre is another really good resource.		
How are you ensuring your services are accessible to Māori and can effectively engage with Māori?		
Related to this, how do you engage with Pasifika and other ethnicities?		

21. Publications and media

Why is this important?

Considering how you will relate to others through publications and media is important to consider early - before it becomes an issue.

Questions to provoke development of communications policies	Your notes	Ranking (of 10)
Do you have publications and/or brochures/ flyers/pamphlets?		
Are these checked regularly to ensure they comply with current law?		
Is there a Publications Policy/processes? Who has delegated responsibility for Communications Policy and processes?		
Key resource: Will add in future - send me your ideas of what it would be!		
Is there a website? Is it reviewed and updated regularly for current information/format? Are there terms and conditions of use/privacy policies displayed?		
Mailing lists / newsletters - are you familiar and compliant with the anti-spam regulations? ? This is a compliance risk - see the Unsolicited Electronic Messages Act 2007		
How would the Board respond if there were a story in the media?		
Who is authorised to speak to the media? Who represents your organisation?		
Responsibilities and controls on social media posts and guidelines? What social media is approved by the Board? Consider the risks of TikTok.		
Do you get consent before posting pictures? A privacy risk. Create a consent form.		
How, when and what donor information is collected? How do you ensure that donor information is deleted when it is no longer required?		

21. Publications and media - Cont.

Questions to provoke development of communications policies	Your notes	Ranking (of 10)
How do you ensure that donor funds are used for their intended purpose? How do you ensure that you are compliant with any Board-approved restrictions or requests which have been placed on donated funds?		
What is your position on social media and media contact? Who authorises content being put up? Is this declared and agreed in a policy?		
Are you abiding by the Copyright Act 1994 rules in how you use materials?		

22. Continuity

Why is this important?

Being aware of what the risks are and how you would continue to operate is vital to ensure that the organisation is ready in advance.

Questions to provoke development of a business	Your notes	Ranking (of 10)
Do you have a Business Continuity Plan? How often do you review and update it?		
How often do you refer to it?		
How integrated is it into the daily activities of your organisation?		
Key resource: IOD guidance on coping with a crisis		
Has it been updated to incorporate the impact of a pandemic/earthquake/fire/working from temporary premises/working from home?		
What plan is in place for emergency management/response? Have you tested it?		
What plan is in place for disaster recovery if all data is lost and assets lost, for example?		
Are staff and Board members trained on business continuity policies and processes?		

23. Cybersecurity

Why is this important?

Increasingly there are risks from people seeking to obtain information online - cybersecurity and measures being in place is one way to ensure you stay safe.

Questions to provoke discussion	Your notes	Ranking (of 10)
Have you considered cybersecurity, including a plan for responding to ransom-ware attacks?		
Do you regularly back-up digital records?		
How would you deal with an attack? What's your plan? Do you practice the plan every year?		
Key resource: ACNC guidance - Australian but relevant here too		
Are you confident with your reporting regarding cyber-risk and its impact on a range of organisational risks?		
What policy do you have around surveillance (cameras, etc)?		
Do you want to insure against cyber security in your organisation?		
Are your staff/volunteers trained/educated on communicating with the media for your organisation? Ensure staff have been trained on risks, especially phishing, spear phishing and social engineering?		
What's your priority/most valuable information and are you confident it is protected and by what measures?		
In the event of a cyber-attack who would you seek advice from?		
Would you pay a ransom or not?		
Does your third party IT provider contract detail what you should expect of them if you are attacked? For example, what's the time frame that they have to inform you there has been a breach?		

23. Cybersecurity - Cont.

Questions to provoke discussion	Your notes	Ranking (of 10)
Does your cyber policy address your response to actual, alleged or suspected cyber-attacks including the immediate response, actions to be taken during first 24 hours, in the first week etc.?		
Do you have multifactor authentication and backups in place? Independent audit? Data breach response plan?		
In the event of a cyber-attack, do you know how long it will take to put substitute IT systems in place?		

24. Environmental sustainability & climate

Why is this important?

Every organisation needs to consider the impacts it is having on our climate. Increasingly this will be part of reporting requirements as well.

Questions to provoke discussion	Your notes	Ranking (of 10)
Are you aware of climate change risks to your organisation, to: 1. infrastructure and operations; and 2. human health, equity and community wellbeing?		
Do you report on waste volumes and have a strategy for reducing landfill waste?		
Do you report on carbon emissions and have a strategy for reducing emissions?		
Key resource: Guidance for charities on this		
Do you have targets towards carbon zero?		
Are you exploring the connections between environmental sustainability and honouring the Treaty of Waitangi?		
Do you have a position statement on climate change? How are you communicating your sustainability strategy?		
Are you encouraging staff and volunteers to be engaged and creative in the points of intersection between their work and caring for the natural world?		

25. Some final “other” issues

Why is this important?

This is a potpourri of issues which you may face - while quite a random collection these are the other things we think are important to consider. Yes, there is some duplication to earlier sections but it is worth a glance over these as reminders.

Questions to provoke discussion	Your notes	Ranking (of 10)
Do you own your intellectual property (IP)? Have you trademarked names and logos? What other IP do you have? How is your IP protected and maintained?		
Do you have a risk matrix and mitigation plan, and is this reviewed on a regular basis?		
How do you protect your organisation’s reputation and social licence to operate?		
Key resource: Charities Guide		
Is there a Food Safety Policy? Relevant if café or meals after services, etc		
What donor organisation risks and requirements - e.g. impact on perception or charity status? How have these been explored and mitigated?		
Do you respect the IP rights of others?		
Do you have a policy on who you will accept funds and donations from, and who you won’t?		
Do you understand your key person risks - how do you ensure the organisation continues if a key member or staff or volunteer resigns? Do you have a succession plan?		
Are you complying with relevant gambling rules? For example, are the Class 3 gambling (lottery licenced) and Class 4 gambling (pokies) harm minimisation rules applied?		
For incorporated societies, have you got an accurate membership register that complies with the new Act? Ask me for a guide on incorporated societies if you haven’t read it yet.		

25. Some final “other” issues - Cont.

Questions to provoke discussion	Your notes	Ranking (of 10)
If you use outside organisations/facilities, do they have an emergency plan?		
Have you considered how your organisation is contributing to climate change? Have you considered reporting on it? Have you considered using fewer animal products, limiting flying, etc.?		
Are your actual activities aligned with your purpose as stated in your Trust Deed? Do you undertake any activities, such as lobbying or political activities which aren't mentioned in your purpose?		
How are records and documents maintained to provide evidence and report on the programmes you have in place?		
If you are engaged in fundraising, are there any licences required? Do you have suitable controls in place to ensure funds are used for their intended purpose? How do you accurately report on your fundraising activities and results and to whom and when do you report?		
What policies do you have in place to protect children?		
Have you identified all of your risks and developed strategies to mitigate those risks, with regular reviews scheduled? Do you have a risk register including an established methodology for identifying risks pertinent to your organisation?		
If you have read this one, then did you realise you just won a free coffee, on Steven? Congrats and well done for getting all this way!		
Who is responsible for updating IRD, Charities Services and your bank(s) on Board changes? Are you required to register for GST? Are your organisational details up to date in the Charities Register? Societies Register? IRD and/or Companies Office?		

Resources

Perhaps these Healthcheck Guides have got you excited for ensuring best practice and wanting more information!

If so, then check out these free resources as well:

Written guides and resources

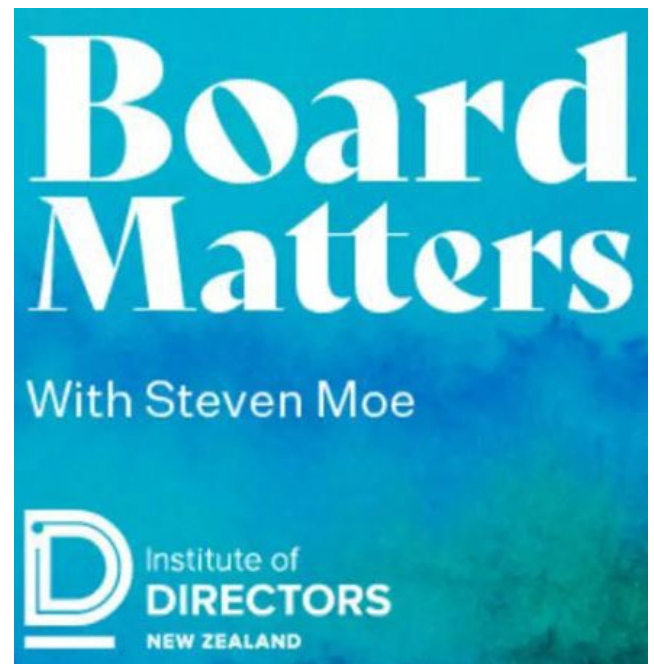
- [Charities in New Zealand: A Legal Handbook](#)
- [Governance Masterclass: 7 scenarios](#)
- [Governance essentials hub](#)
- [10 minutes on how to set up an impact driven organisation](#)
- [Social Enterprises in New Zealand: A Legal Handbook](#)
- [Health and Safety regarding volunteers](#)
- [Start-ups guide](#)
- [Governance podcast for IOD](#)
- [Impact Investing in NZ](#)
- [Reimagining Business Book](#)
- [Seeds podcast](#)
- [About privacy policies and what they should cover](#)
- [Capital Raising Guide](#)
- [Summary of two day IOD Leadership Conference](#)
- [Article on different types of roles: Volunteers, Employees, Contractors](#)
- [Trust control over other trusts article](#)
- [The Good Governance Code](#)

Governance related videos

- [Chairing the Board](#)
- [Governance Masterclass - 7 scenarios](#)

Other websites

- [Charities Services on types of tiers](#)
- [Charities Services guide for new board members](#)
- [NZ Navigator online charity assessment kit](#)
- [Community Governance Aotearoa](#)
- [IOD NFP site](#)
- [Community Networks Aotearoa: Tick for Governance course](#)
- [‘Better Banking’ report from CNA](#)
- [Christian Savings on long term maintenance plans](#)
- [Community Law Manual](#)
- [Questions on reputational risks](#)



We hope this is helpful.

What else should we refer to in future editions?