



CANADA MORTGAGE AND HOUSING CORPORATION

ABOUT YOUR GOVERNANCE

Effective Policies

Policies are rules, principles and guidelines that an organization's management adopts to reach its long-term goals. Well-written policies and procedures shape all important decisions and activities and when faithfully followed, promote efficiency, effectiveness, fairness and consistency while upholding the organization's philosophy or "vision."

Policies work best when they are developed by people working together and are understood fully by board members, occupants and affected individuals. The best policies are also those that are applied fairly and consistently, so that all the tenants or members are treated the same way.

There are many advantages to developing and implementing effective policies. Here are the top five:

1. Guidance

Policies define the goals of an organization and provide guidance about how to achieve objectives. Policies also identify key activities, such as the collection of rental arrears and capital replacement planning, and provide a general strategy for the board on how to handle issues as they arise.

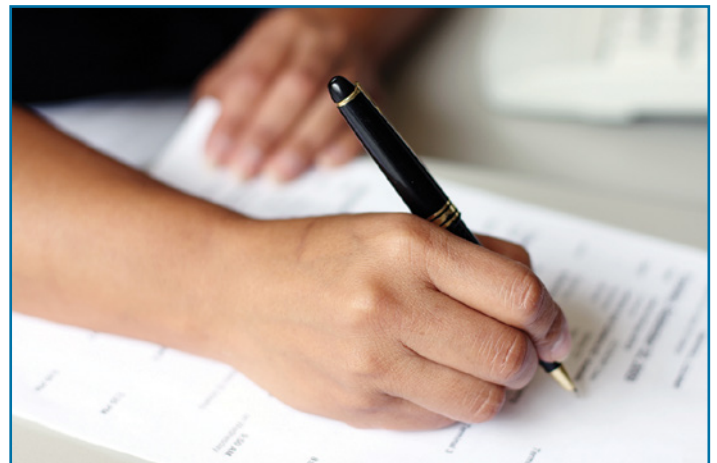
2. Consistency

Because they are tailored to the organization and not to a specific individual or circumstance, established policies and procedures ensure that the organization's processes do not deviate or deteriorate over time, even if key board members,

contractors or employees leave. Consistent policies also help even the newest board member learn quickly about how the organization operates, and what is expected of his or her role.

3. Accountability

When policies and procedures are well established and consistently followed, an organization can refute allegations of unfairness or legal violations that tenants or members may file against it.



4. Efficiency

Formal, written policies and procedures improve overall organizational performance by keeping everyone "on the same page" when it comes to expectations and issues. While organizations can operate without written housing policies and procedures, operations tend to be much more efficient and effective with them in place.

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HOME TO CANADIANS

5. Clarity

If your organization is small or if it operates under a relatively close-knit management group, policies may be “understood” without being written down. That is, board members, property managers and occupants have a good idea of the expectations regarding certain basic issues such as maintenance, tenant or member selection, or rent collection—or think they do. Avoid misunderstandings by developing and implementing effective written policies.

For more information, consult CMHC’s *Guide to Co-operative Housing* or *Your Guide to Renting a Home – for Landlords* at www.cmhc.ca