

## Issues to consider when developing a communications policy

Not-for-profit sector

It is **good governance** for a not-for-profit (NFP) organisation to have in place a documented communications policy. Such a policy could include or make reference to more detailed policies on:

- stakeholder engagement
- the use of social media
- engagement with the media, including how to manage the media in a crisis situation
- how to use systems and technology to assist with communications
- the NFP organisation's statutory obligations in regards to communications, including the annual general meeting (AGM) and the annual report
- fundraising.

A communications policy should be explicitly aligned with the stated purpose and values of the organisation and assist the NFP to liaise with a range of stakeholders to ensure that a consistent message is communicated from the organisation in order to reinforce its purpose. It should also support the risk management framework and enhance community confidence in the NFP organisation.

### Stakeholder engagement policy

It is **good governance** for an NFP organisation to document a policy to:

- recognise the benefits of key stakeholder engagement
- identify the stakeholders and define their legitimate interests as they relate to the NFP organisation and its purpose
- develop an understanding of the role that stakeholders have in or with the organisation, and
- identify the stakeholders' needs.

Stakeholder engagement should link to the mission of the organisation and is part of the strategic plan. A stakeholder engagement policy should assist the NFP organisation to achieve its strategic objectives with the continuing support of stakeholders. This enables stakeholders to feel satisfied about their contribution to the objectives of the organisation.

A more detailed stakeholder engagement plan will usually underpin the policy. Guidance on this is provided on the following pages.

### Social media policy

It is **good governance** for an NFP organisation to have a policy on the use and role of social media in the organisation. This may form part of the communication policy or may be a stand-alone policy. Social media refers to online tools which provide individual users and/or companies with the ability to create and share content in online communities. Social media tools include, but are not limited to, the following:

- social networking sites, such as Facebook, LinkedIn, Google+
- video/photo sharing sites, such as YouTube, Flickr
- micro-blogging sites, such as Twitter, Yahoo Buzz, Meme
- weblogs — corporate, personal or media blogs published through tools such as Wordpress and Tumblr
- forums and discussion boards, such as Whirlpool, Yahoo! Groups, Google Groups
- geo-spatial tagging, such as Foursquare
- online multiplayer gaming platforms, such as Second Life
- instant messaging, including SMS
- vod and podcasting
- online encyclopaedias, such as Wikipedia
- any other websites or devices (including mobile phones) that enable individuals to publish or distribute their own views, blogs, comments, photos, videos etc.

Social media now enables wider consultation than has occurred in the past and allows all stakeholders to provide feedback to the organisation. The NFP organisation's website and social media strategy will drive the engagement with the stakeholders. Social media can also involve a more informal style of communication.

It is important that the NFP organisation considers the risks of using social media and whether social media should be the channel for communicating certain types of information. A social media policy recognises that employees should be provided with guidance as to the NFP organisation's expectations when the employee is using social media platforms, either as part of their work responsibilities, or in a personal capacity, where the individual's social media profile is linked to their employer's profile, or in a personal capacity where the individual provides comment on the NFP organisation, its products and services, its employees, its members, its volunteers and/or other related individuals or organisations.

A social media policy can provide directions for employees as to:

- being clear about who they are representing
- who has authorisation powers and responsibility
- taking responsibility for ensuring that any references to their employing organisation or its members or volunteers are factually correct
- being accurate and not breaching confidentiality requirements, and
- showing respect for the individuals and communities with which they interact.

## Dealing with the media

It is **good governance** for the NFP organisation, when appropriate, to engage with the media, including in a crisis situation. The risk of a member or volunteer or other party speaking 'on behalf' of the NFP arises if a policy is not in place addressing:

- whether public relations are managed in-house or externally — an external media adviser may be prepared to act in a pro bono capacity if the organisation cannot afford an adviser on commercial terms
- who is authorised to speak on behalf of the NFP organisation — the organisation needs to consider who is the most appropriate and credible person to speak to the media on their behalf. It may be the chair, the CEO, a board member or a high-profile executive officer
- how to manage the media in a crisis situation — this ensures that the authorised spokesperson(s) can respond appropriately to a particular situation as the policy will set out:

- who is responsible to prepare the media release
- who will brief the external PR consultant if one is used
- the contact person for the media
- how escalation of an issue will be managed.

It is important that the NFP organisation supports its media spokesperson(s), including the provision of media training where appropriate.

Occasionally the NFP organisation may be required to respond to external or internal threats that require immediate crisis management and therefore there can be real value in establishing ongoing relationships with the media in a non-crisis environment. The communication policy will provide the processes and protocols that need to be followed to deal with difficult or hostile stakeholders and clarify responsibilities. Such a policy will also ensure that any response from the organisation is perceived to be fair and scrupulous.

An NFP organisation may consider a cascading approach to the media and arrange for their patron or someone else within the organisation with a high media profile to speak on the organisation's behalf during the crisis rather than relying on the media spokespersons they use during 'business as usual'. The policy will ensure that any such protocol is clear. It is also **good governance** to link the communication policy in this regard to the business continuity and crisis management policy for the NFP organisation.

Among the key assets of an NFP organisation are its brand and reputation, which like any other asset should be carefully managed and protected. This brand and reputation can be destroyed very quickly if it is perceived to have been mishandled during a crisis.

## Stakeholder engagement plan

### Who are the stakeholders?

Understanding who the key stakeholders are and the process for establishing their needs will shape the strategy for engagement. Stakeholders broadly include:

- those who are the focus of the organisation's activities and services
- those directly involved with or responsible for the activity of the organisation

- those who devise, pass and enforce laws and regulations that affect the function of the organisation
- other authorities and bodies that interact, partner or collaborate with the organisation
- those with an interest in its processes or the outcome of its activities, and
- those who fund or resource their activities.

A stakeholder engagement policy should provide a basis for the key information that prioritises those stakeholders with a degree of proximity to the strategic objectives and ensures a level of success and alignment with the organisation's strategic plan.

An NFP organisation's stakeholders may include:

- **Members:** An NFP organisation needs to engage with its members to ensure they support the purpose of the organisation. Members can be engaged with through the organisation's website, dedicated member communication, social media, the AGM and other general meetings, as well as other events.
- **Employees:** Engagement activities both ensure that the effort undertaken by all employees across the organisation is aligned with the strategic objectives and help employees to share ideas and concerns with senior teams to steer decisions regarding the business. An NFP organisation may consider using an intranet, instant messaging or social media applications as means of communication with employees.
- **Volunteers:** Volunteers are a key part of an NFP organisation and need to be kept apprised of the organisation's strategic objectives and progress toward achieving those objectives. It is **good governance** to establish systems and processes for communicating and engaging with volunteers. See *Good Governance Guide: Volunteer management*.
- **Service recipients:** The motivation of charities and NFP organisations is to provide support to as many people as possible in alignment with their mission. They are a valuable source of feedback which allows an NFP organisation to refine its service offering.
- **Donors:** Donors are a key stakeholder group which provides financial sustainability for many NFP organisations. Donors should be confident that their donations are being applied effectively by the NFP organisation.
- **Regulators:** A NFP organisation may have obligations to many regulators in respect of its legal structure; how it raises funds; what activities it pursues; and exemptions concessions and benefits to which it is entitled. Each NFP organisation will need to assess which regulators it has obligations to, but common examples include:
  - Australian Charities and Not-for-profits Commission (ACNC)
  - Office of the Registrar of Indigenous Corporations (ORIC)
  - the Australian Taxation Office (ATO)
  - state and territory-based tax authorities, for example, the ACT Revenue Office, the NSW Office of State Revenue and Revenue SA
  - state and territory-based incorporated association and cooperative authorities, for example, NSW Fair Trading, the NT Department of Business and the QLD Office of Fair Trading
  - state and territory-based fundraising authorities, for example, Consumer Affairs Victoria, the SA Consumer and Business Services and the WA Department of Commerce.

Regulators influence how NFP organisations can raise funds, engage with other stakeholders and employees and can provide helpful information and advice, both formally and informally. The relationship with a regulator can have a significant impact on an NFP organisation's operations. An NFP organisation needs to have a robust system of communicating with the relevant regulators, including a compliance framework to manage the relationship and timeliness of communication.

- **The government:** Government agencies can be a source of funding for the organisation, which may give rise to formal reporting requirements to acquit the funding. A strong relationship can assist in maintaining and attracting additional funding. NFP organisations need to understand the public policy framework in which they operate, and that changes in government policy can have implications for the capacity of the NFP to provide its services.
- **Professional industry associations and professional service organisations:** Recognition by professional industry associations and professional service organisations can assist NFP organisations to fulfil

their mission. Such bodies can also be sources of helpful information and advice and may provide pro bono support to the NFP organisation which may not otherwise be able to afford such services.

- **The community at large:** The community's trust and confidence in NFP organisations is the sector's most valuable asset, and its protection is enhanced by good, honest communication. The community is also a source of potential members, volunteers, service recipients and donors.
- **The media:** NFP organisations in the right circumstances can benefit from establishing relationships with the media across a variety of channels, as media representation of the NFP can have a significant impact on the organisation's reputation.

## Method of communication

Once an NFP has identified the stakeholders of the organisation, it is **good governance** to understand and document in one or more stakeholder engagement plans the interest held by each stakeholder and then determine an appropriate:

- method of communication, and
- frequency of communication.

There are different levels of stakeholder engagement, ranging from active decision-making in facilitating strategic objectives to informing stakeholders of the NFP organisation's activities and undertakings or seeking support for those activities.

Fostering a two-way inclusive dialogue with key stakeholders is necessary for the sustainability of NFP organisations. It is vital that the communications strategy delivers the transparency that stakeholders expect in an engaging and enriching way. It should convey a consistent message of how the organisation is distinctive and has a compelling mission. It should also be recognised that having meaningful engagement with stakeholders is much more than communicating to them. Stakeholder engagement requires clear guidance and objectives to use resources effectively and an ability to recognise what is required in terms of time, resources and skills for a meaningful two-way dialogue and participation. Over-communicating can be as detrimental to the relationship as under-communicating.

When communicating with stakeholders, the NFP organisation will also benefit from focusing the message on outcomes achieved rather than the easier way of reporting on money spent and activity undertaken.

The NFP organisation should establish effective communication strategies to ensure that stakeholders' needs are met by choosing the most appropriate methods and technologies to inform, consult, involve, collaborate and engage with the various stakeholders in a timely manner. No single method of engaging stakeholders is suitable for all situations and often a mix of approaches, such as the use of structured and unstructured processes, is necessary. Accordingly, it is important to tailor the interaction process by considering the unique characteristics of stakeholders, including the nature and intensity of their interest, and decide which approaches are best suited to particular groups.

Different methods and channels of communication can be tailored for use with different stakeholder groups, including through either hard copy which still has a role to play, or through the use of digital forms of communication. An NFP organisation needs to consider if professional and networking events and content marketing form part of its communication — providing useful information can have a positive impact on the NFP's reputation and its interaction with stakeholders. NFP organisations also need to consider which communication channels are appropriate for their use. Consideration should be given to the following issues:

- how to ensure that the message of the organisation is presented in a consistent way which represents its values
- how to ensure its communications have a consistent look and feel — it can be helpful to develop a 'style guide' which covers all aspects of its communications, including how employees answer the phone, the tone and presentation of written communications (including email), the look and feel of marketing materials and the use of the organisation's brand
- implementing a system of checks and balances for sign-offs of communications to ensure that the appropriate message, tone and style is used for the selected communication channel.

## Systems and technology

NFP organisations need to understand the value that technology can bring to engagement with stakeholders as well as the investment required to implement and maintain it. NFP organisations could also consider many free or low-cost versions of technology that enable an NFP to develop a more sophisticated communications strategy at a relatively low cost, including:

- customer relationship management (CRM) systems
- content management systems, which an NFP organisation can use to update its website
- e-communications, including email marketing software, and
- tools to manage social media, which allow for central posting and dissemination across platforms.

The objective is to generate a high level of benefits relative to costs. Technology must be tailored to the size of the organisation and must be regularly reviewed in light of organisational growth and technological developments.

## Statutory obligations, including the annual general meeting

The legal obligations with which an NFP organisation is required to comply will vary according to the organisation's legal structure, size and complexity. Examples of legal obligations that an NFP organisation may need to consider are:

- the requirement to hold an AGM or other general meetings of members and present financial statements
- government grant acquittals — compliance with government funding agreements will affect eligibility for future funding and requires recipients to provide financial reports and written reports documenting activity performance and where funding was spent
- the requirement to provide for employees' superannuation
- the workplace health and safety of employees, recipients and volunteers
- requirements under the *Fair Work Act 2009*.

An NFP organisation can consider including statutory obligations in their communications strategy and treat them as an opportunity to engage with the relevant stakeholders.

In regards to the AGM, while charities are not required under the ACNC Governance Standards to hold an AGM, consideration should be given to the value an AGM brings in terms of member engagement. It is considered **good governance** for NFP organisations to have a policy that aims to maximise the opportunity for members to participate in meetings by considering such matters as date, time, place and plans made to cater for the situation that the meeting may be adjourned to a future date.