Tech Debt Governance Policy

Organizational Policy Template for Managing Technical Debt

For VPs of Engineering and CTOs

TechDebt.guru

https://techdebt.guru/

1. Purpose and Scope

This policy establishes a framework for identifying, tracking, prioritizing, and remediating technical debt across all engineering teams. It applies to all software development activities including new feature development, maintenance, and AI-assisted coding.

1.1 Definitions

- **Technical Debt:** The implied cost of future rework caused by choosing an expedient solution now instead of a better approach.
- **Debt Item:** A tracked instance of technical debt in the backlog.
- **Remediation:** The process of reducing or eliminating a debt item.
- **Debt Ratio:** The percentage of engineering effort spent on debt vs features.

1.2 Policy Owner

This policy is owned by: _____ (VP Engineering / CTO)

Review frequency: Annually or after significant organizational change

Last reviewed: _____

2. Debt Classification

2.1 Categories

- **Code Debt:** Code smells, duplication, complexity violations
- **Architecture Debt:** Design pattern violations, coupling issues
- **Dependency Debt:** Outdated libraries, vulnerable packages
- **Testing Debt:** Missing coverage, flaky tests, no E2E
- **Infrastructure Debt:** Manual deployments, monitoring gaps
- **Documentation Debt:** Missing docs, outdated runbooks
- **AI-Generated Debt:** Unreviewed AI code, inconsistent patterns

2.2 Priority Levels

- **P1 - Critical:** Security vulnerabilities, compliance violations, data loss risk.
  SLA: Remediate within 1 sprint.
- **P2 - High:** Customer-facing impact, blocking other work.
  SLA: Remediate within 1 quarter.
- **P3 - Medium:** Slowing development, increasing maintenance cost.
  SLA: Remediate within 2 quarters.
- **P4 - Low:** Cosmetic, minor inefficiencies.
  SLA: Address opportunistically.

3. Engineering Capacity Allocation

3.1 Minimum Allocation

All teams MUST allocate a minimum of 15% of sprint capacity to debt reduction.

This allocation is non-negotiable and may not be borrowed for feature work without VP approval.

3.2 Allocation Tiers

- **Healthy (debt ratio < 10%):** 10% capacity for maintenance
- **Moderate (debt ratio 10-25%):** 15% capacity mandatory
- **Elevated (debt ratio 25-40%):** 20% capacity mandatory
- **Critical (debt ratio > 40%):** 30% capacity + dedicated remediation team

3.3 Exceptions

- Short-term exceptions (1 sprint) may be approved by Engineering Director.
- Extended exceptions (2+ sprints) require VP/CTO approval and remediation plan.
- All exceptions must be documented with justification and payback plan.

4. AI-Assisted Development Policy

4.1 Approved AI Tools

List approved AI coding assistants: _____

Unapproved tools may not be used for production code.

4.2 Review Requirements

- All AI-generated code requires human review before merge.
- AI-generated PRs must be labeled/tagged for tracking.
- Reviewers must verify: architecture conformance, security, test coverage, no hallucinated dependencies.

4.3 Quality Gates

- AI code must pass all existing quality gates (lint, tests, coverage thresholds).
- Additional AI-specific checks: dependency validation, pattern compliance scan.
- Monthly audit of AI-generated code for pattern drift.

4.4 Accountability

- The developer who submits AI-generated code is responsible for it.
- Cannot be merged to do what the AI suggested without the developer understanding why.

5. Reporting Requirements

5.1 Team-Level Reporting (Monthly)

- Debt items created vs resolved
- Current debt ratio and trend
- Capacity allocation actual vs target
- Top 5 debt items by impact

5.2 Organization-Level Reporting (Quarterly)

- DORA metrics trending
- Debt cost estimate (using ROI Calculator)
- Cross-team dependency debt
- AI-generated debt percentage

5.3 Executive Dashboard (Quarterly)

- Business impact of debt (incident frequency, velocity, retention)
- Investment vs return on debt remediation
- Risk assessment for critical systems

6. Policy Enforcement

6.1 Compliance

- Teams are audited quarterly for policy compliance.
- Non-compliant teams must present a remediation plan within 2 weeks.
- Repeated non-compliance escalated to VP Engineering.

6.2 Policy Review

- This policy is reviewed annually.

Any team may propose amendments through: _____

- Changes approved by policy owner and engineering leadership.

Signatures

Policy Owner: _____ Date: ___

CTO/VP Engineering: _____ Date: ___

Engineering Director: _____ Date: ___

Template from https://techdebt.guru/ai-governance-framework/