

Seventh-day Adventist Church
Operating Policy Framework

How we work together!

North American Division Treasurers' Orientation
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Presenter: Lowell C Cooper

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*“...policy never matters until it matters,
and then it matters a lot.”*

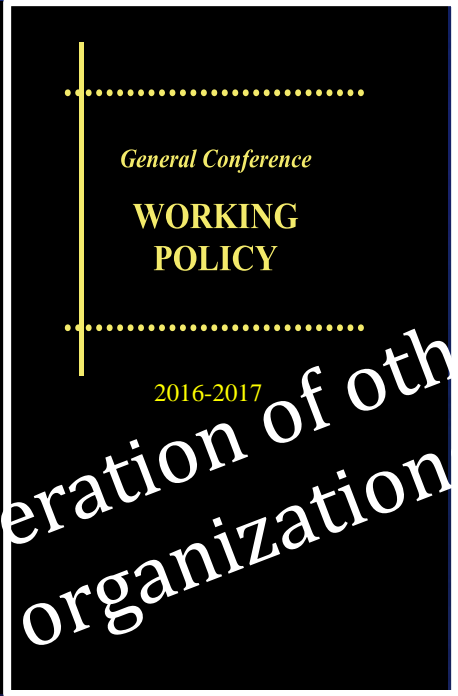
—Marco Rubio, USA Senator

Objectives:

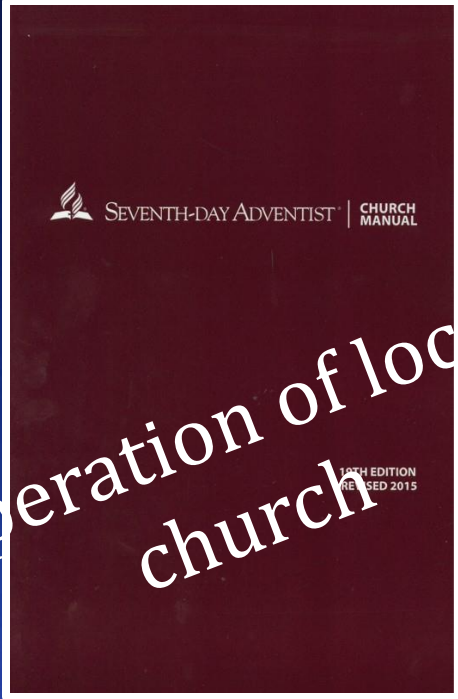
- Understand the role of policy in Church organization and leadership.
- Know the policy documents of the Seventh-day Adventist Church and their function.
- Recognize the difference between policy and procedures.
- Be familiar with policy development and application.
- Appreciate the relationship between policy development and mission advance.

SDA Church governance documents:

1. Statement of Fundamental Beliefs
2. General Conference *Working Policy* or the local Division *Working Policy*
3. The *Church Manual*
4. Constitution and Bylaws: for conferences and institutions
5. Operating Policy: for units with 'mission' status
6. The local legal environment (external codes)



Operation of other organizations



Operation of local church



SEVENTH-DAY ADVENTIST | CHURCH
MANUAL

19TH EDITION
REVISED 2015

Content/additions/amendments
require approval by a General
Conference Session

A new edition published after each
regular General Conference Session

The *Church Manual* “describes the **operation and functions of local churches** and their **relationship to denominational structures** in which they hold membership. The *Church Manual* also expresses the Church’s **understanding of Christian life** and **church governance** and **discipline** based on biblical principles and the authority of duly assembled General Conference Sessions.”

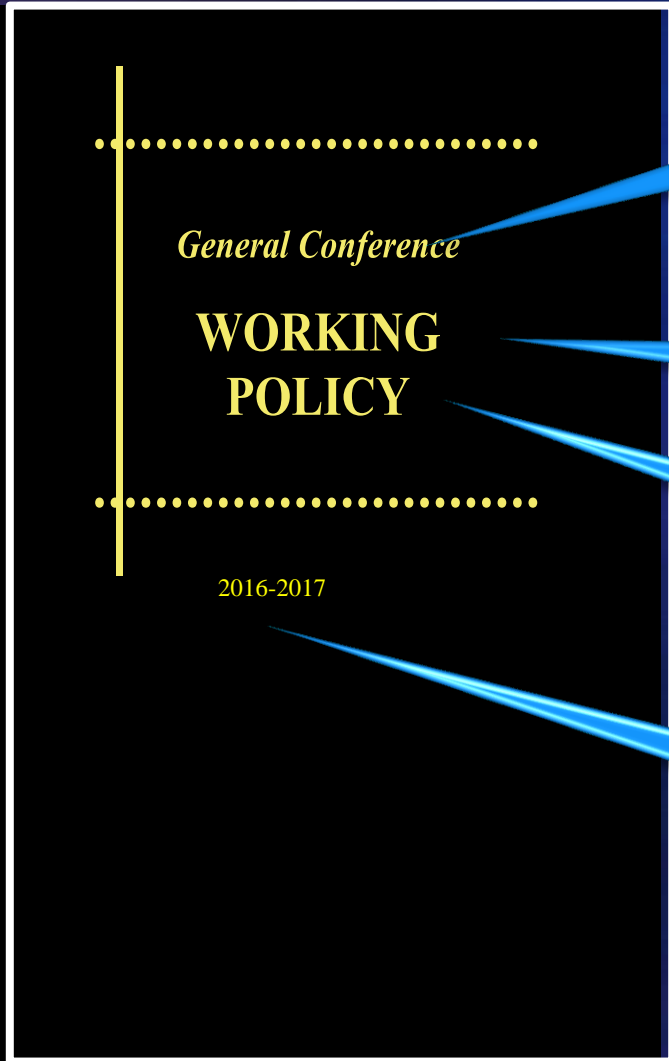
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Global leadership decisions regarding how entities live and work together. The 'family code of conduct.'

Content/additions/amendments require approval by a General Conference Executive Committee.

Recognizes relevant General Conference Session decisions as policy.

A new edition published after each General Conference Executive Committee meeting in Annual Council.

Policies and Procedures:

Policies: guiding principles used to set direction and clarify objectives

Procedures: A series of steps to be followed as a consistent and repetitive approach to accomplishing a desired result.

The General Conference Working Policy contains both Policies and Procedures, collectively described as policy.

An example of a policy statement:

The Seventh-day Adventist Church is a worldwide community of believers who confess Jesus Christ as Lord and Savior and who are united in mission, purpose, and belief. The Church defines its internal governance as representative in form with executive responsibility and authority assigned to a variety of entities and institutions and their respective constituencies, boards, and officers through constitutions or articles of incorporation, bylaws, and operating policies and guidelines.

—General Conference *Working Policy* B 05, 1.

An example of a procedures section of policy:

New constituency-based organizational units may be established in harmony with procedures outlined below and in compliance with provisions of applicable bylaws and policies.

—General Conference *Working Policy* B 60

Rule or Guideline?

Presents “agreed-upon” practices.

Dynamic—policies can be changed!

Policy's purpose:

1. To create/preserve organizational culture

It can be argued that the only thing of real importance that leaders do is to create and manage culture; that the unique talent of leaders is their ability to understand and work within culture; and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

—Edgar H Shein, *Organizational Culture and Leadership*

The bottom line for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead.

—Edgar H Shein, *Organizational Culture and Leadership*

Policy's purpose:

1. To create/preserve organizational culture
2. To standardize selected procedures for global identity and connectivity
3. To protect the organization from:
 - individuals (autocratic, Lone Ranger types)
 - merely reactive decision-making
 - widely differing patterns of action
4. To identify accountability issues/procedures
 - health/safety of employees
 - areas of legal liability (employment practices, etc.)
 - regulatory requirements

Policy is the result of unity, not the cause of it!

Leadership and policy—essential knowledge:

1. Policy compliance is a standard of conduct for leaders.
2. Policy represents the culmination of an extensive and global group decision-making process.
3. Policy is dynamic.
4. Some policies permit flexibility/waivers to accommodate special circumstances.
5. Existence of an appeal process for settlement of differences.

Policy compliance—a standard of conduct:

General Conference Working Policy “...the accumulated policies adopted by General Conference Sessions and Annual Councils of the General Conference Executive Committee. It is, therefore, the authoritative voice of the Church in all matters pertaining to the mission and to the administration of the work of the Seventh-day Adventist denomination in all parts of the world.”

—General Conference *Working Policy* B 15 05

Policy compliance—a standard of conduct:

No departure from these policies shall be made without prior approval from the General Conference Executive Committee... —General Conference *Working Policy* B 15 05

Policy compliance—a standard of conduct:

Officers and administrators are expected to work in harmony with the General Conference *Working Policy*. Those who show inability or unwillingness to administer their work in harmony with policy should not be continued in executive leadership by their respective constituencies or governing boards/committees.

—General Conference *Working Policy* B 15 05

Policy—culmination of global group process:

Pathway for policy development and approval:

1. Proposals sent to Policy Review and Development Committee
2. PRDC recommendations sent to GC ADCOM
3. GC ADCOM recommendations sent to Officer Councils
4. Officer Council recommendations sent to General Conference and Division Officers
5. GCDO recommendations sent to GC Executive Committee at Annual Council
6. Annual Council approves/amends/rejects recommendations
7. Policies approved by Annual Council are published in a new (annual) edition of the General Conference *Working Policy*

Policy—dynamic, not static:

Policies can be changed (see previous slide for pathway).

In Seventh-day Adventist Church history innovation and experimentation have often preceded policy adoption.

Policy—dynamic, not static:

The articulation of policy frequently follows the thoughtful assessment of new opportunities, new developments (internal or external), and new perspectives in mission. Examples include:

- The development of unions
- The formation of departments
- 1973 Annual Council re: election/ordination of women as local church elders: “division committees exercise discretion in any special cases that may arise until a definitive position is adopted...”
- The development of “unions of churches”

Policy and mission:

Policy development and mission advance have a symbiotic relationship. This relationship is essential and beneficial though without continued monitoring to adjust policy in response to circumstances encountered in mission the relationship can become less than beneficial.

Policy—some policies permit adaptation:

Examples of policy adaptation/variation:

- 1987 Annual Council: ...if world divisions choose...may request use of Commissioned Minister classification in their territory.
- 2001 Annual Council: Policy on “Variations in Administrative Relationships”
- 2007 Annual Council: Policy on “Structural Flexibility”
- 2009 Annual Council: Experimentation with “Special Affinity Groups”
- General Conference Wage Scale essentially replaced by division-wage scales based on set of guidelines

Adaptation and flexibility:

“Flexibility in Seventh-day Adventist organizational structure is the application to new or existing organizational structures of specific alternative organizational patterns and procedural principles in light of prevailing circumstances and environments within the territory of a division of the General Conference.”

—General Conference *Working Policy* B 10 27

Alternatives in Organizational Structure—
“Denominational structure in one geographic area may illustrate one model while organization in an adjacent territory may reflect another of the available models. The following range of organizational models for denominational structures may coexist within a division territory...”

—General Conference *Working Policy* B 10 28

Division retirement plans:

Because of increased government control of retirement plans and changing financial and social circumstances in many countries, ability to maintain a uniform world retirement policy is not possible. Each division of the General Conference shall make provision for its retired and disabled employees, including international service employees sent from that division, in harmony with legal requirements.

—General Conference *Working Policy* Z 05 05

Appeal process for settlement of differences:

When differences arise in organizations on matters not already addressed in the Constitution and Bylaws, in General Conference Working Policy, or in General Conference Executive Committee acts at an Annual Council, opportunity is given to appeal to the next higher organization not directly involved in the matter. The decision of the organization to which the matter is appealed is considered final unless that organization itself chooses to refer the matter to a higher level.

—General Conference *Working Policy* B 10 22

Policy Book Format: The Big Picture

Organizational Structure

Operating Principles

Procedures and Practices

Primary administrative policy concepts:

1. Authority resides in the Executive Committee
2. Organizational boundaries respected
3. Compliance (law/policy/government)
4. Conflicts of interest will be declared
5. Officers: separate roles/teamwork
6. Nondiscrimination in employment
7. Operate within resources available
8. Transparency/timeliness in financial reporting
9. Adequacy of internal controls
10. Accountability, including regular audits

Core SDA Operating Policies:

- Relationships among organizations (B 50 05)
- Formation of legal organizations (BA 25 10)
- Protection of trademarks (BA 40)
- Authority of institutional boards (BA 55 15)
- Compliance with bylaws/operating policy
- Interdivision travel (BA 65 10, 15, 20)
- Employment practices (BA 60 10)
- Capital projects (S 15 10, V 14-30)

Core SDA Operating Policies: —cont'd

- Borrowing from Church members (S 45 05)
- Investments (S 85)
- Budget approved by Exec Comm (S 09 10)
- Recovery from operating losses (S 09 20)
- Financial reports to Exec Comm (S 19 05)
- Appointment of Audit Comm (S 34 05)
- Conflict of Interest declarations (E 85 20)
- Working capital (S 24 10)

Core SDA Operating Policies: —cont'd

- Gift annuities >\$100,000 (S 40 10)
- Annuity rates (S 40 10)
- Authorization of trust agreements (S 40 15)
- Recording of distributions...(S 40 25)
- No fees for employee as executor... (S 40 30)
- Accounting for gift annuities (S 40 10)
- Borrowing (S 14)

Core SDA Operating Policies: —cont'd

- Tithe remittances (V 09)
- Use of tithe (V 14 05, V 15 20)
- Mission offerings (W 05 05)
- Employee salary/service (Y 05, E 70 20)
- Employee expense accounts (Y 10 05)
- Settlement—discontin. employees (E 70 30)
- Contributions for retirement plan (Z 10 35)
- Insurance coverage (S 60 05)

The task of Church leadership everywhere is to nurture mission advance under increasingly varied circumstances while striving to simultaneously nurture the oneness of the global Church. Tensions around policy compliance and policy development will attend Church growth in virtually every part of the world.

Leaders and Policy:

When in doubt—consult!

When in ignorance—research!

When in disagreement—dialog!

When change is needed—engage the process!