

SDA Denominational Policy Framework



—a global family—
together
in global mission

Learning objectives:

1. To understand the role and function of policies in institutional life.
2. To identify the primary governance documents of the SDA Church and their role.
3. To value the distribution of authority in the Church.
4. To comprehend the process of policy development.

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

—Marco Rubio, USA Senator

Outline:

- I. Policy's definition and role.
- II. Purpose and function of policy
- III. Policy environment and documents
- IV. Policy development
- V. Leadership and policy implementation

Policy—a working definition:

- A high-level overall plan embracing the general goals and acceptable procedures of a governing body.
- A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions.

Policies and Procedures:

Policies: guiding principles used to set direction and clarify objectives. (Policies tend to be descriptive concerning the purpose to be achieved.)

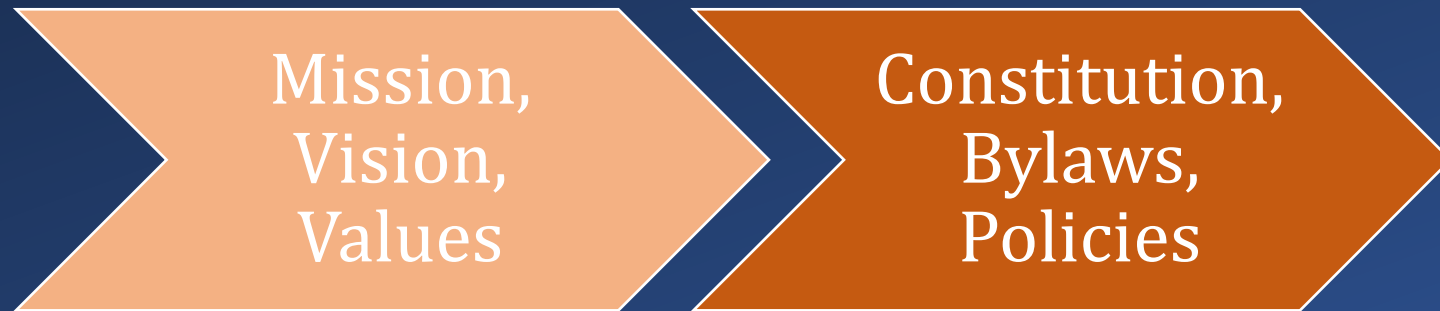
Procedures: A series of steps to be followed as a consistent and repetitive approach to accomplishing a desired result. (Procedures tend to be prescriptive, identifying specific behaviors that ensure the policy will be achieved.)

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

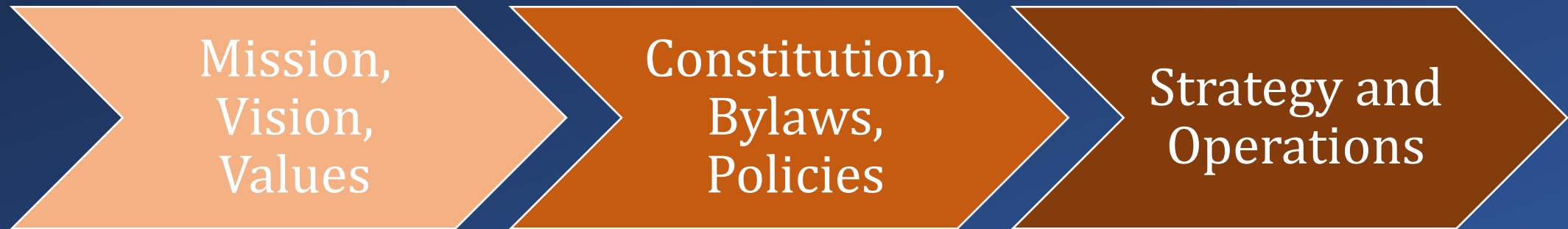
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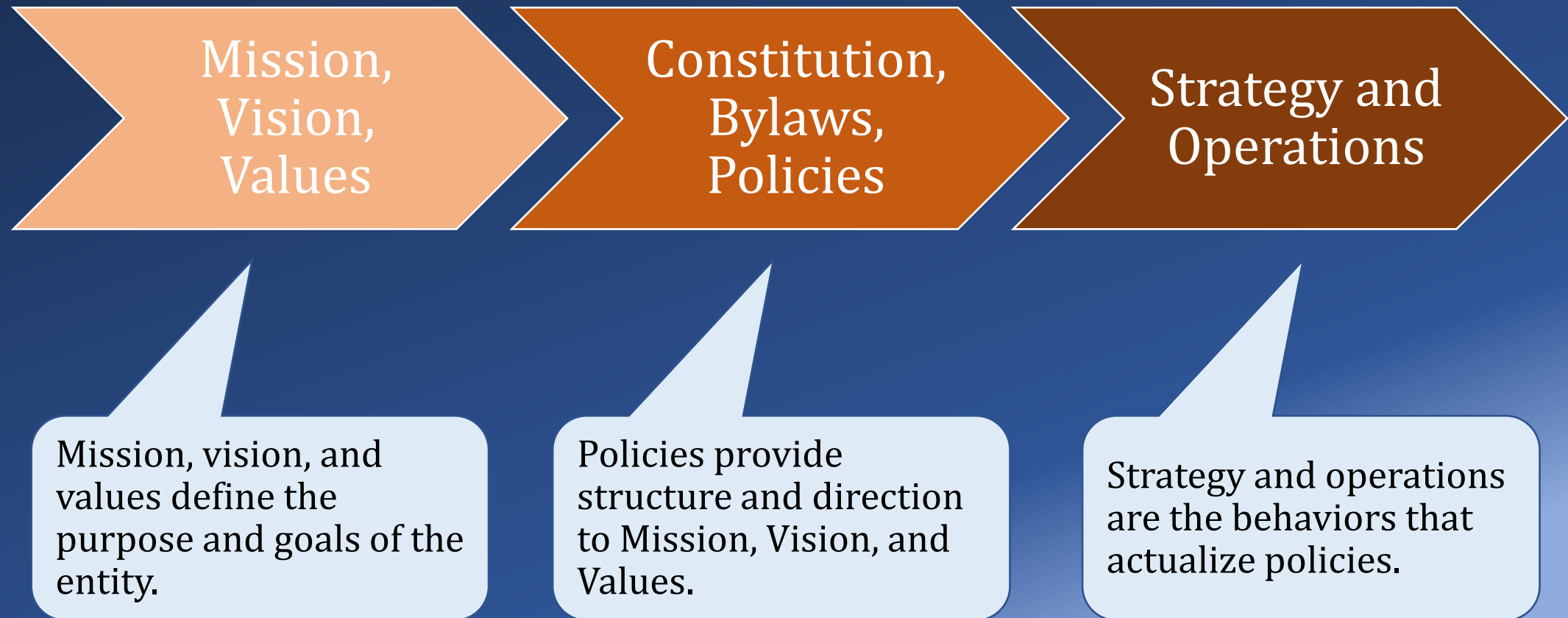
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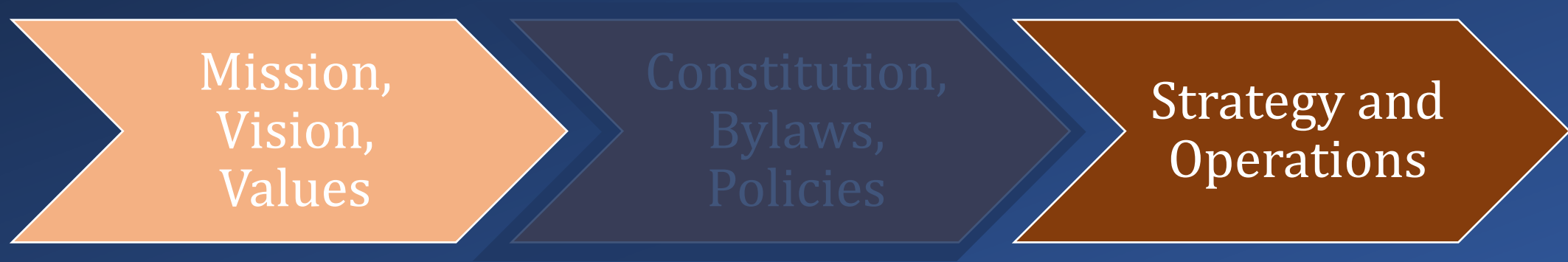
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The role of policy in institutional life:



The absence or inadequacy of policies in an organization dissolves or weakens the connection between Mission, Vision, Values and Strategy and Operations.

How much policy is needed?

The volume of policies appropriate in an organization is heavily dependent on:

- the nature of institutional mission
- the regulatory environment for the institution
- the size and workforce of the institution
- the scope and complexity of institutional activity

An organization can be paralyzed by an excess of policy.

An organization can be at a loss of direction by a deficit of policy.

The Purpose of Policy:

1. To create/preserve organizational culture.
2. To provide efficiency, stability, continuity, and relational symmetry from standard procedures .
3. To initiate change or to address its impact.
4. To reduce the need for direct management supervision.
5. To create standards of quality.
6. Serve as a resource for staff, particularly new personnel.

The Purpose of Policy: —cont'd

7. Reduce reliance on memory, which, when overtaxed, has been shown to be a major source of human errors or oversights.
8. To protect the organization from:
 - individuals (autocratic, Lone Ranger types)
 - merely reactive decision-making
 - widely differing patterns of action
 - unnecessary repeated analysis of frequently occurring situations
9. To identify accountability issues/procedures:
 - health/safety of employees and/or clients
 - areas of legal liability (employment practices, etc.)
 - regulatory requirements

Policy's function:

1. To describe/define SDA organizational structure.
2. To reflect a collective decision-making process culminating in a GC Executive Committee decision.
3. To provide an operational framework for various entities of the world Church. *(General Conference Working Policy)*
4. To provide an operational framework for the functioning of local churches worldwide. *(Church Manual)*
5. To initiate change and/or address the impact of change in organizational circumstances.

Policy environment for SDA entities:

1. Statement of Fundamental Beliefs
2. State policy (non-profit corporation code)
3. General Conference/Division *Working Policy*
4. *The Church Manual* (for Local Churches and Companies)
5. Union/Local Conference policies
6. Constitution and Bylaws (for entities with 'Conference' status)
7. Operating Policy (for entities with 'Mission' status)
8. The local civil/industrial regulatory environment

In addition to the policy environment provided by external entities (see previous slide) additional internally created policies must be established by the institution's membership/constituency meeting and by the Governing Board. These might be described as:

- Governing document policies
- Board policies
- Institutional and operational policies

Articles of Incorporation:

- Name and type of organization (religious, charitable, not-for-profit, etc.).
- Organization's purpose.
- Civil registration authority.
- Membership.
- Frequency of Membership meetings.
- Membership functions: (elect Board, create Bylaws, etc.)
- Dissolution and disposition of assets.
- Amendments.

Bylaws:

- Organization's general mandate.
- Location of headquarters
- Board composition, size, and selection.
- Length of board member term and tenure.
- Conditions for removal of board member.
- Board quorum.
- Selection of officers.
- Authority of Board to delegate to committees.
- Fiscal year.
- Requirement for audit.
- Amendments to Bylaws.
- Indemnification for trustees.
- Dispute resolution protocols.

Bylaws and Policies compared:

Bylaws

- Relate to the functioning and authority of the Board.
- Brief “enabling” statements with some limitations.
- Established and amended by membership or constituency.
- More difficult to amend than policies.

Policies

- Relate to the functioning of committees and personnel.
- More specific principles and practices defined.
- Established by Board and can be changed by Board.
- Permits Board to “govern by policy.”

Board policies re: Board functioning:

- A set of policies adopted by the Board for its own guidance and reference. The Board Policy Manual establishes a road map for how the Board functions.
- The Board Policy Manual should be readily available to all trustees and serves as a primary orientation resource for new/prospective Board members.

Board policies re: Board functioning: —cont'd

- Articles of Incorporation
- Bylaws
- Mission, Vision, Values statements
- Board meeting attendance policy
- Board roles and responsibilities
- Board committees and committee terms of reference (committee charter)
- Trustee expectations (if not already in Bylaws)



Board policies re: Board functioning: —cont'd

- Conflict of Interest and Confidentiality Commitment
- Compensation, reimbursement of travel expenses
- Personal contributions from trustees
- Code of conduct in meetings
- Term limits for trustees
- Removal from Board membership



Board policies—governance process:

- Board member and executive evaluations
- Executive compensation
- Whistleblower protection
- Document retention/destruction
- Corporate minutes
- Spending authority
- Investment policy

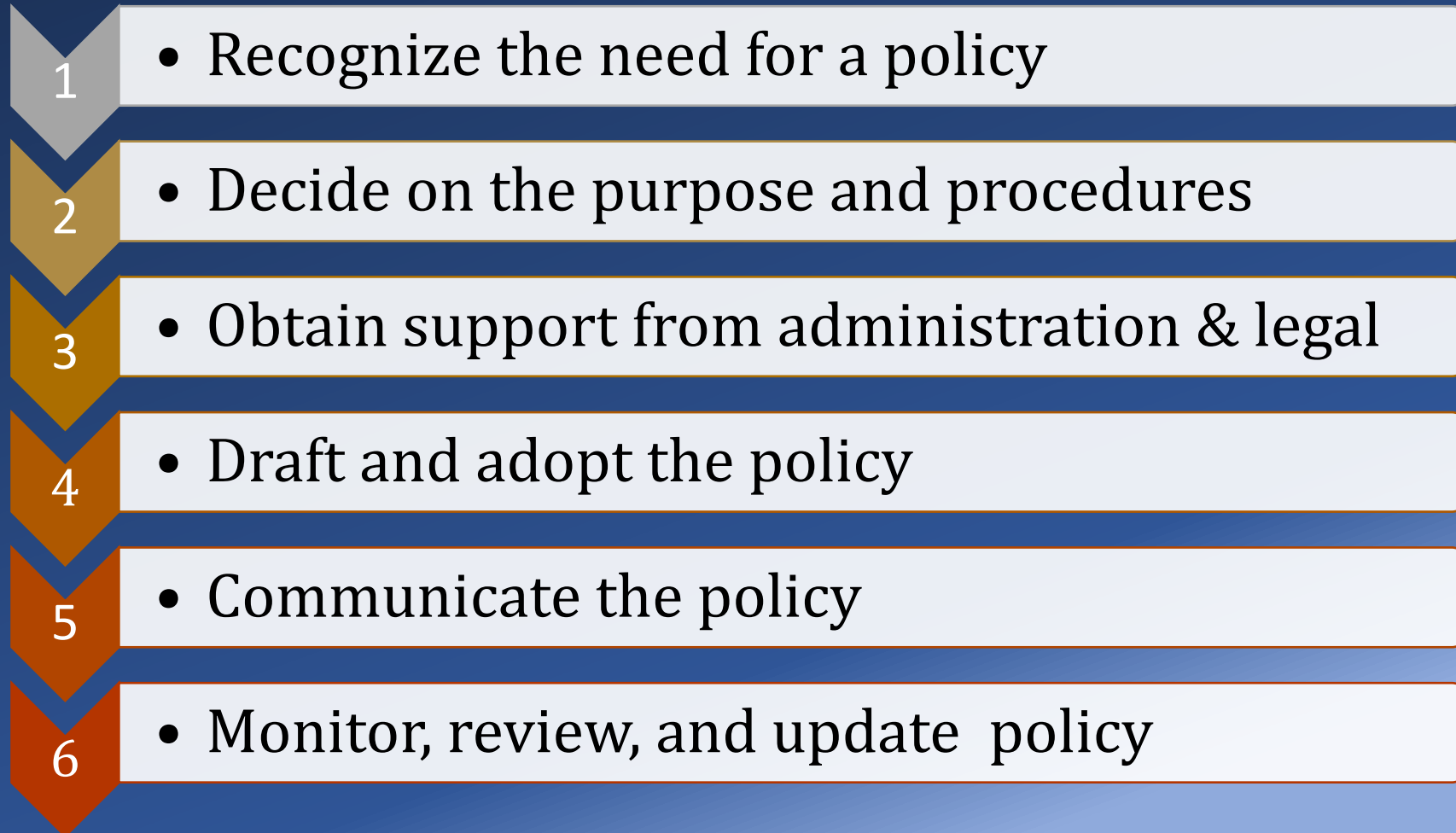


Board policies—governance process: —cont'd

- Finance (budgeting, indebtedness, employee loans, etc.)
- Investment: asset mix, asset quality, diversification.
- Risk management
- Reserves
- Fiscal period
- Signing of checks/use of credit cards
- Endowment management
- Audits



The development of policy:



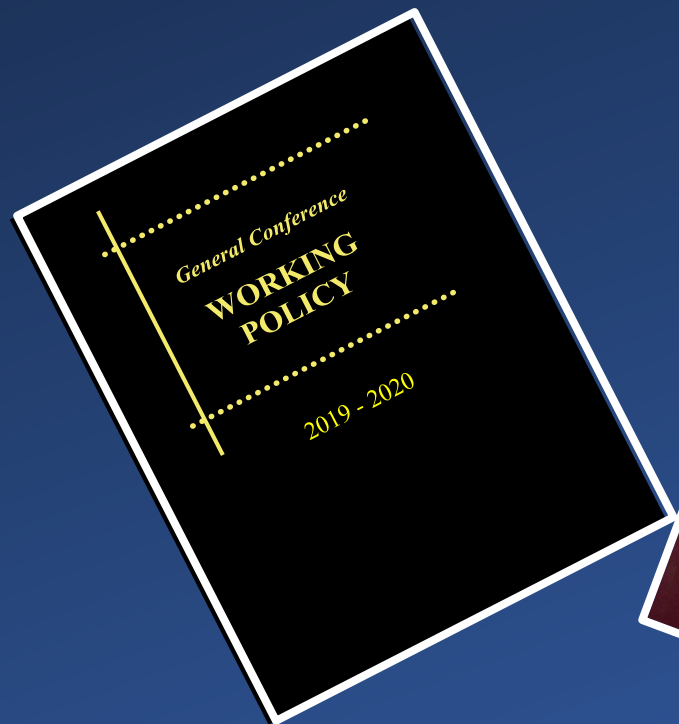
The Board's role in policy development:

1. The Board comprehends and accepts its external policy environment.
2. The Board develops its own policies regarding Board functioning.
3. The Board looks to administration for the drafting and recommendation of appropriate internal policies.
4. The Board approves and periodically reviews policies.

Policy development realities:

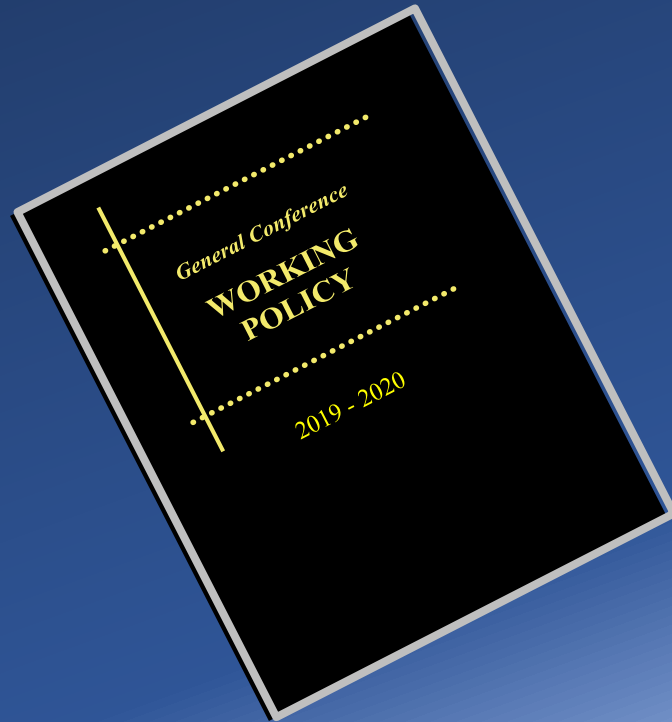
- Policy development should occur in consultation with those who will be responsible to follow them.
- Policies must be ethical and legal.
- Policies are dynamic—they can be changed by the body that adopted them.
- Policy non-compliance can attract serious consequences.

Denominational policy foundations:

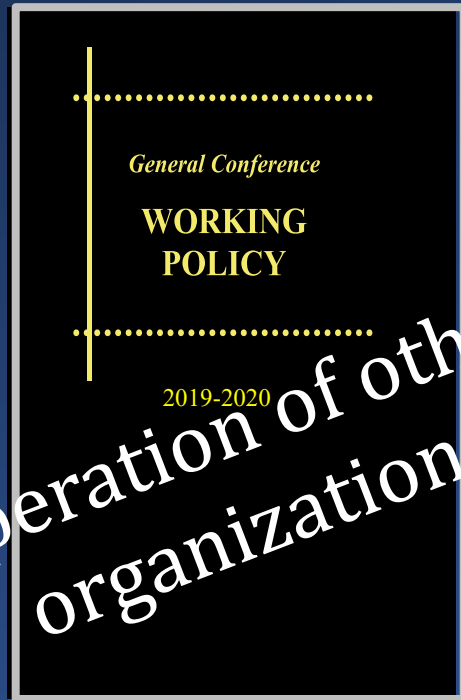


General Conference Working Policy

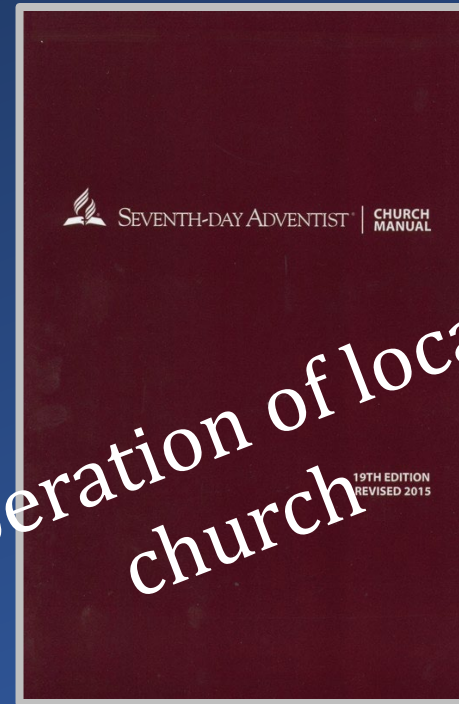
Global leadership decisions regarding how entities live and work together. The 'family code of conduct.'



Working Policy and Church Manual

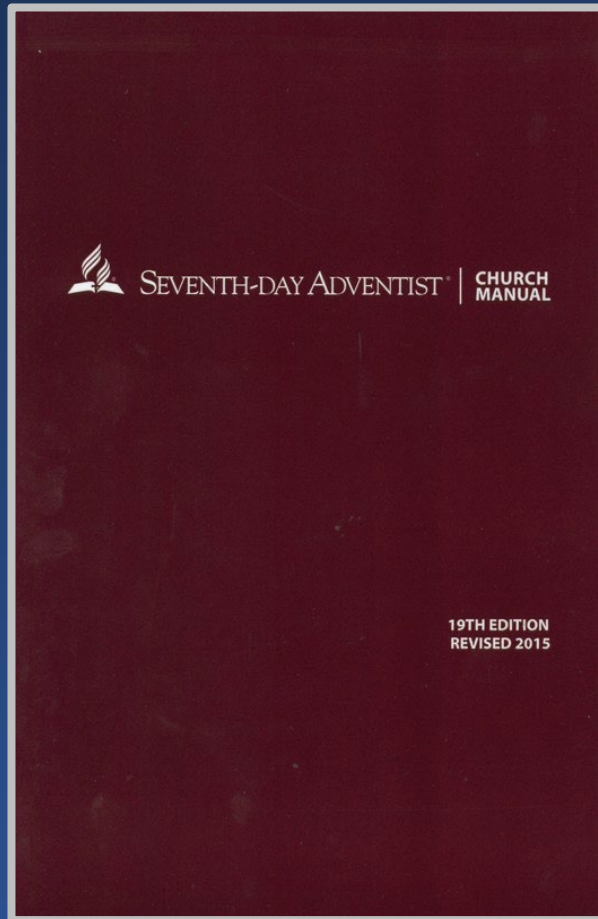


Operation of other organizations



Operation of local church

The *Church Manual*

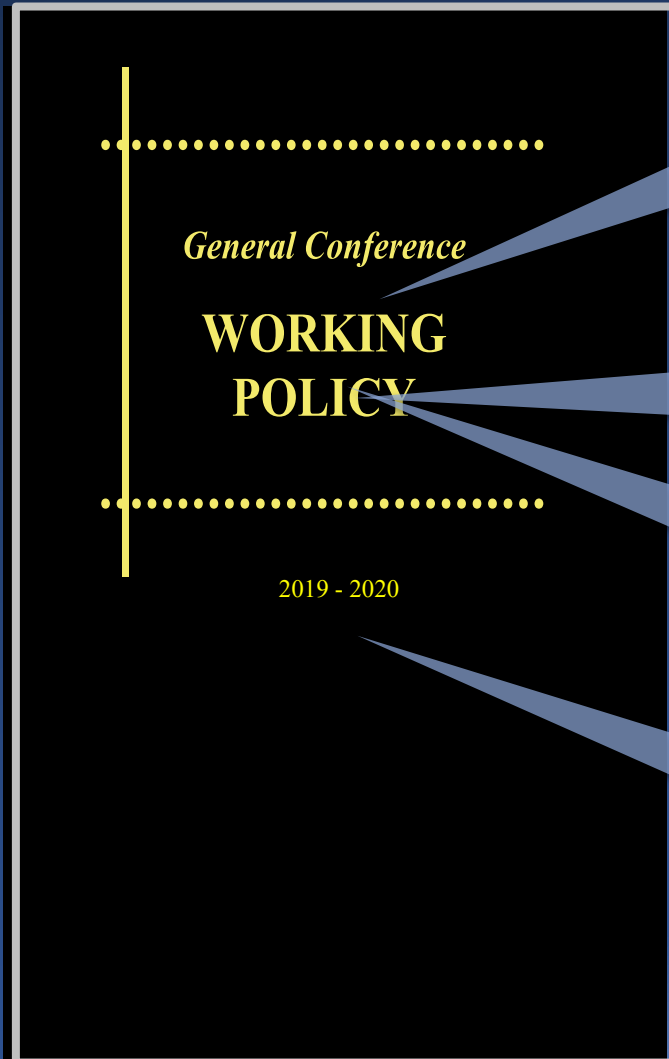


Content/additions/amendments require approval by a General Conference Session

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.”

General Conference *Working Policy*



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.

Constitutions and Bylaws

Constitutions: Define the status, territory, purpose, membership, and relationships of the organization.

Bylaws: Define basic operating procedures such as:

- Frequency and conduct of membership meetings
- Election and term of leadership positions
- Authority of officers and executive committee
- Amending of bylaws
- Provisions in event of dissolution

Authority in a Local Church

Business Meeting—highest local church authority

- Membership decisions (admission/discipline/dismissal)
- Selection of local church officers and board
- Ordination of elders and deacons/deaconesses
- Furtherance of mission within its territory
- Select delegates to the constituency meeting of the conference/mission

Board Meeting—authority as per the *Church Manual*

Pastor—the link between local church and Conference

Authority at a Local Conference

Constituency Meeting

- Elect officers/staff/executive committee
- Revise/amend its constitution and bylaws
- Admit or remove member churches

Executive Committee

- Employ/assign pastors and other employees
- Establish/operate schools
- Create pastoral districts/approve organization of churches
- Oversee mission advance in its territory
- Approve operational plans, budgets and delegates to Union Const.

Officer Team (President, Secretary, Treasurer)

- Counsel/guide churches/employees
- Conduct day-to-day business of the organization
- Receive/distribute tithes and offerings (other than local church funds)
- Report to Local Conference Executive Committee

Authority at a Union Conference

Constituency Meeting

- Elect officers/staff/executive committee
- Revise/amend its constitution and bylaws
- Admit or remove member units (conferences or missions)

Executive Committee

- Authorize ministerial ordination
- Establish/operate institutions
- Oversee/monitor mission advance in its territory
- Appoint delegates to the GC Session
- Amend/revise operating policy for local missions and appoint officers of missions

Authority at a Union Conference —cont'd

Officer Team (President, Secretary, Treasurer)

- Counsel/guide administrations of conferences/missions
- Counsel/guide administrations of institutions
- Counsel and guide departmental programs/initiatives
- Conduct day-to-day business of the organization
- Coordinate resource sharing
- Serve as link between GC&Division and local units
- Report to Union Executive Committee

Authority at the General Conference

General Conference in Session

- Approve the statement of fundamental beliefs
- Create/revise/amend Church Manual
- Revise/amend GC constitution and bylaws
- Elect GC Division officers and GC department directors
- Accept/remove members units of the General Conference

General Conference Executive Committee

- Administer and oversea operations between GC Sessions
- Create/amend *Working Policy*
- Administer the sharing of world church resources
- Create divisions/establish GC institutions
- Oversee mission advance throughout the world

Authority of the General Conference —cont'd

Officer Team (President, Secretary, Treasurer)

- Counsel/guide administrations of divisions/attached fields
- Counsel/guide administrations of GC institutions
- Counsel and guide departmental programs/initiatives
- Conduct day-to-day business of the organization
- Coordinate inter-division resource sharing
- Report to GC Executive Committee

SDA concept of organization

“The 54th General Conference Session, in its consideration of the Role and Function of Denominational Organizations, pointed out that the constitutions, bylaws and operating policies of all denominational organizations should be consistent with the Seventh-day Adventist concept of the church, its organization, and governance.

SDA concept of organization

“...The fruitage of that concept is a representative and constituency-based system. Its authority is rooted in God and distributed to the whole people of God. It recognizes the committee system. It provides for shared administration (president, secretary, treasurer/chief financial officer) rather than a presidential system...”

SDA concept of organization

“It recognizes a unity of entities (church, conference, union, General Conference) based on mission, purpose, and belief that binds the believers together in a universal fellowship. While the integrity of each entity is recognized (church, conference, union), each is seen to be a part of a sisterhood which cannot act without reference to the whole.”

—GC Working Policy D 05

Policy's purpose:

- To provide stability, continuity, and relational symmetry across the wide spectrum of entities
- To protect the organization from:
 - Autocratic and erratic leadership
 - Merely reactive decision-making
 - Widely differing patterns of action
- To facilitate intentional, dynamic, and planned organizational growth

Policy's function:

- To describe/define SDA organizational structure.
- To reflect a collective decision-making process culminating in a GC Executive Committee decision.
- To provide an operational framework for various entities of the world Church. (General Conference Working Policy)
- To provide an operational framework for the functioning of local churches worldwide. (Church Manual)
- To initiate change and/or address the impact of change in organizational circumstances.

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.”

—GCWP B 15 05

No departure from these policies shall be made
without prior approval from the General Conference
Executive Committee...

—GCWP B 15 10

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... —GCWP B 15 15

Policy development:

1. Grows out of a need to address widespread circumstances or changes in therein.
2. Involves discussion at several layers of organization and approval/adoption by the appropriate Executive Committee.
3. Requests for policy change (amendment/deletion/addition) can originate with any Board or Executive Committee in the SDA organization and referred for consideration to the next layer of organization.

Policy development considerations:

1. Policy must be the servant of mission.
2. Policy must be designed with scale-ability in mind.
How can it be implemented in a small unit compared to a large unit of organization?
3. Policy must be environmental—the pace of, and need for, change does not proceed uniformly.
4. Policy formation needs descriptive, not only prescriptive, aspects.

Diversity, unity, and culture:

Because the gospel is universal, its presentation and communication must be contextualized to the cultures it encounters.

John's description of Christ as the "Word" (John 1:1) is viewed as an accommodation to the Greek concept of "logos" in Stoic philosophy. Paul's use of "in him we live and move and have our being" (Acts 17:28) was an ingenious link to ideas expressed by Greek poets.

Diversity, unity, and culture: —cont'd

Because the Church is universal, it must become increasingly diverse as it expands and embraces new cultures. Cultural diversity cannot and must not be avoided by a Church if that Church is going to be faithful to the true nature of the Church.

The challenge in policy development is to foster togetherness while respecting the reality of diversity.

Policy creation is the result of a democratic process of decision-making where the will of the majority is considered binding on the group.

Policy is not so much the cause of unity as an expression of it.

Standard of conduct for leadership:

Compliance with *Working Policy* is a standard of conduct for Seventh-day Adventist leaders.

Continuing challenges of leadership:

1. Trust is the most important human resource.
2. Church governance: participatory and interdependent.
3. Missional rationale must drive infrastructure growth, policy development, and resource sharing.
4. The need is for more leadership and less management; trend is toward more networking and less hierarchy.
5. Policy doesn't matter until it matters, and then it matters a lot!
6. Mission happens at the local level.

Challenges for personal reflection:

1. The Church organization is strong, and fragile. Any leader, with determination, can weaken the structure or can help to keep it strong. How does my influence and leadership contribute to organizational strength and effectiveness?
2. How do I relate to policies with which I disagree?
3. How do I relate to others who may disagree with policies that I have supported/helped to develop?
4. What am I doing to encourage respectful dialog concerning the need for policy development?

Conclusions:

1. Much if not most of Board governance is accomplished through policy formation and oversight.
2. Policies must be documented and communicated.
3. Policies are dynamic and need review and updating.
4. Policy development needs the input of those responsible for implementing policy.
5. The Board is ultimately responsible/accountable for institutional policies.

