

# **BUC Policy - Section 2**

## **GENERAL DENOMINATIONAL GUIDELINES**

(revised 29 Feb 2024)

### **A. OUTLINE OF SEVENTH-DAY ADVENTIST ORGANISATION** (revised Dec 2015)

#### **1. LOCAL CHURCH**

A specific group of Seventh-day Adventist members meeting in a defined location that has been granted official status as a Seventh-day Adventist church by the constituency of a local Conference/Mission in session.

#### **2. LOCAL CONFERENCE/MISSION/FIELD**

A specific group of local churches, within a defined geographic area, that has been granted official status as a Seventh-day Adventist local Conference/Mission/Field by the constituency of a Union Conference/Mission in session.

#### **3. UNION CONFERENCE/MISSION**

A specific group of local Conferences/Missions/Fields, within a defined geographic area that has been granted official status as a Seventh-day Adventist Union Conference/Mission by a General Conference Session.

#### **4. GENERAL CONFERENCE**

(a) Largest Unit

The General Conference is the largest unit of organization embracing all Union Conferences/Missions and other church organisations in all parts of the world.

(b) Division Sections

As provided by its Constitutions and Bylaws, the General Conference conducts its work in Division sections. Each Division section operates within a specific territory in harmony with General Conference policies. A Division section embraces all the local or Union Conferences/Missions/Fields in its assigned area of the world.

(c) Highest Organisation

The General Conference is the highest organization in the administration of the world-wide work of the church, and is authorised by its Constitution to create subordinate organisations to promote specific interests in various sections of the world; it is therefore understood that all subordinate organisations and institutions throughout the world will recognise the General Conference in session, as the highest authority, under God. When differences arise in or between organisations and institutions, on matters not already addressed in the Constitution and Bylaws, in the policies of the General Conference, or in its Executive Committee actions at Annual Councils, appeal to the next higher organisation is proper till it reaches the General Conference in session, or the General Conference Executive Committee in Annual Council. During the interim between these sessions, the General Conference Executive Committee shall constitute the body of final authority on all questions where a difference of viewpoint may develop, whose decisions shall control on such controversial points, but whose decision may be reviewed at a session of the General Conference or an Annual Council of the General Conference Executive Committee. (The scope of such appeals does not include matters dealing with employment, employee grievance and discipline, which are dealt with by the individual employer taking into account applicable local employment legislation).

## **B. LINES OF RESPONSIBILITY** (revised Dec 2015)

### **1. LOCAL CONFERENCES/MISSIONS**

Local Conferences/Missions are accountable to the Union Conference/Mission organisation of which they are a part, and are administered in harmony with the policies which govern the Union.

### **2. UNION CONFERENCES/MISSIONS**

Union Conferences/Missions are accountable to the respective Division section of which they are a part, and are administered in harmony with the operating policies of the General Conference and of the Division.

### **3. INSTITUTIONS**

Institutions operated by local Conferences/Missions are accountable to their controlling organisations; institutions operated by Union Conferences or Missions are accountable to their respective Unions; general institutions are accountable to their respective Division committee or to the General Conference committee.

## **C. CHURCH MANUAL** (revised Dec 2015)

### **1. STANDARDS AND PRACTICES**

The standards and practices of the Church are based upon the principles set forth in the *Church Manual*, published by the General Conference. These principles are to be followed in all matters pertaining to the administration of local churches both within the church and in its relationship to the higher organisation, the Conference/Mission. No attempt should be made by any worker to set up standards of membership or to make, or attempt to enforce, rules or regulations for the church which have not been adopted by the general body of believers and which are not set forth in the *Church Manual*.

### **2. CHANGES/REVISIONS ONLY BY GC SESSION**

The *Church Manual* may only be changed or revised by the General Conference in session. Church members desirous of initiating changes to the Manual should refer proposals to and through the local church board to the Conference or Mission and on to the Union, Division, and General Conference.

## **D. PERSONAL RELATIONS AND ORGANISATIONAL AUTHORITY**

(revised Dec 2015)

### **1. UNITY AT WORK**

It is important that workers recognise the democratic process whereby mission objectives and strategic plans are actioned by the constituencies at the various levels of church administration. In as much as unity in effort is more essential and fruitful in soul-winning than exact perfection in plans it is important that workers respect these strategic actions and counsel together with their respective organisation in their implementation.

### **2. APPEAL TO HIGHER ORGANISATION**

If a matter of church policy, cannot be satisfactorily resolved at the relevant level of church administration (ie. Local church, Conference/Mission, or Union Conference) then it may be appealed to the next unit that has responsibility. (Local church appeals to Conference/Mission Executives; Conference/Mission appeals to the British Union Conference; British Union Conference appeals to the Trans-European Division). The church does not expect to resolve such conflicts through the courts.

The scope of such appeals is limited to internal matters such as membership discipline, theological interpretation, organisational plans and procedures and does not include areas of church employment and employee discipline, which are dealt with separately under the relevant sections of employment contract and applicable employment law.

## **E. STATEMENT OF ETHICAL FOUNDATIONS** (revised Dec 2015)

All employees working for the Seventh-day Adventist Church in the United Kingdom and the Republic of Ireland are to recognise its mission, responsibilities and mission.

### **1. MISSION**

This is to proclaim to all peoples the everlasting gospel, in the context of the three angels' messages of Revelation 14:6-12, leading then to accept Jesus as their personal Saviour, and encouraging them to unite with His church and prepare for His soon return. Within the scope of this mission, the British Union Conference exists to lead the Church within its territory in being a witness for God's kingdom and in making disciples of Jesus Christ.

#### *Responsibilities:*

- We are responsible first to God, the Creator. Individual and collective actions must reflect His character and exhibit His love.
- We are responsible to the communities, in which we work and live, and also to the world community. We accept the challenge to be exemplary citizens. We support good works and charities. We encourage civic improvements, a better quality of life, security, health, and education for all.
- We are responsible to church members. We accept accountability for sound leadership decisions and appropriate stewardship.
- We are responsible to fellow employees. Every individual deserves to be treated with dignity and respect; to have his or her role and contribution valued and affirmed; to function in a safe working environment; to experience an atmosphere of challenge, open communication, and contentment.

### **2. VALUES**

- We value the *Bible* as the primary reference for life's direction and qualities.
- We value *excellence* in all that we do.
- We value *ethical and moral conduct* at all times and in all relationships.
- We value *creativity and innovation* in the completion of our mission.
- We value *honesty, integrity, and courage* as the foundation of all our actions.
- We value the *trust* placed in us by colleagues and by the church membership.
- We value *people* as children of God and therefore brothers and sisters of one family.

### **3. ETHICAL RESPONSIBILITIES AS EMPLOYER AND CORPORATE CITIZEN**

In pursuit of its mission, and while maintaining its responsibilities and adhering to its values, the British Union Conference operates under the following ethical guidelines:

#### (a) Equal Opportunity Employment

In accordance with its beliefs and values the British Union Conference will follow procedures to ensure equal opportunity of employment, remuneration, and advancement on the basis of job qualifications and performance.

#### (b) Equity, Fairness and Non-discrimination

The British Union Conference will treat all individuals and groups with loving justice. It will not practice or condone discrimination with regard to race, national origin, gender, age, marital status, or disability that does not prohibit performance of essential job functions.

#### (c) Compliance with Laws of the Land

The British Union Conference will carry on its activities in compliance with the laws of the land provided these are not in contradiction of its understanding of biblical principles.

(d) Loyalty and Fulfilment of Contractual Obligations

The British Union Conference will fulfil the commitments it has entered into through authorised channels. Where misunderstandings arise regarding such commitments, the British Union Conference shall seek to participate with the parties concerned, in conflict resolution procedures within the organisation before seeking the help of the wider community.

(e) Atmosphere of Safety and Happiness

The British Union Conference is committed to providing a work environment that offers physical safety and security. It also strives to encourage and promote genuine happiness through the realisation that every employee is valuable and every task, no matter how routine or unnoticed, is a service to God. The British Union Conference will continue to integrate worship, work, and celebration in a manner that acknowledges wholeness in life and relationships.

(f) Respect for Human Dignity and Individuality

The British Union Conference affirms and respects the uniqueness of every employee. It recognises that a person's value surpasses the worth of his or her contribution to the organisation. It believes that communal harmony and corporate objectives are enhanced rather than compromised by the broad mosaic of personalities, talents, skills, and viewpoints dedicated to the honour of Jesus Christ. The British Union Conference shall strive for communication that is timely, truthful, open, candid, and kind.

#### **4. ETHICAL RESPONSIBILITIES AS EMPLOYEES**

Employment in the Seventh-day Adventist Church implies commitment to the organisation's mission and concurrence with its responsibilities and values. This includes a recognition that the employer-employee relationship grows within an atmosphere of mutual regard. Reasonable service as employees include the following ethical responsibilities:

(a) Church Message and Mission

While in the employ of the British Union Conference individuals will be sympathetic to the beliefs and values of the church.

(b) Respect for Church-owned Assets

They will respect the property of the organisation, including any intellectual property that is developed in the course of their employment. They will use the property, facilities and resources solely for the benefit of the organisation, unless otherwise permitted.

(c) Respect for Colleagues

They will respect and uplift their fellow employees. They will refrain from intentionally placing another in a position of embarrassment, disrespect, or harassment. They will avoid all behaviour that may be construed as inappropriate. They will honour the privacy and guard the safety of others.

(d) Efficiency and Attention on the Job

The hours of employment shall be devoted to the work assignments entrusted to them. They will not use the employer's time for personal business or the advancement of personal interests unrelated to the work assigned by their supervisors. They will not deprive their employer by entering into other employment or activities, which impair their performance for the British Union Conference while on the job. They will aspire to greater efficiency and the reduction of waste in time, effort and resources.

(e) Personal Integrity in Financial Matters

They will not engage in theft or embezzlement of any kind including the misuse of expense accounts, falsification of time reports, or the misapplication of resources for which they are responsible.

(f) **Avoiding Inappropriate Influence**

They acknowledge that the giving or receiving of gifts of significant value can easily inject ulterior considerations in their work and employment relationships. Great care will be exercised in the use of gifts, payments, or honoraria as incentives for a particular service.

(g) **Maintaining an Ethical Environment in the Workplace**

They accept the obligation of maintaining ethical standards in personal life and in the workplace. They believe it is their personal responsibility to report, through established confidential channels, any behaviour that is inappropriate or which undermines the ethical environment of the organisation. They are prepared to be held accountable by their supervisors and peers for professional conduct representing the moral and ethical values of the Seventh-day Adventist Church.

## **F. CONFLICT OF INTEREST** (revised Dec 2015)

### **1. STATEMENT OF POLICY**

All trustees, officers and employees of denominational organisations have a duty to be free from the influence of any conflicting interest when they represent the organisation in negotiations or make representations with respect to dealings with third parties, and they are expected to deal with all persons doing business with the organisation on a basis that is for the best interest of the organisation without favour or preference to third parties or personal considerations.

A conflict of interest arises when a trustee, an officer, or an employee of the organisation has such a substantial personal interest in a transaction or is a party to a transaction that it reasonably might affect the judgment he exercises on behalf of the organisation. He is to consider only the interests of the organization, always avoid sharp practices, and faithfully follow the established policies of the organisation.

### **2. CONDITIONS CONSTITUTING CONFLICT**

Although it is not feasible in a policy statement to describe all the circumstances and conditions that might have the potential of being considered as conflicts of interest, the following situations are considered to have the potential of being in conflict and therefore are to be avoided:

- (a) Engaging in outside business or employment that permits encroachment on the denominational organisation's call for the full services of its employees even though there may not be any other conflict.
- (b) Engaging in business with or employment by an employer that is in any way competitive or in conflict with any transaction, activity, or objective of the organisation.
- (c) Engaging in any business with or employment by a non-denominational employer who is a supplier of goods or services to the denominational organisation.
- (d) Making use of the fact of employment by the denominational organisation to further outside business or employment, or associating the denominational organisation or its prestige with an outside business or employment.
- (e) Owning or leasing any property with knowledge that the denominational organisation has an active or potential interest therein.
- (f) Lending money to or borrowing money from any third person who is a supplier of goods or services or a trustee or who is in any fiduciary relationship to the denominational organisation or is otherwise regularly involved in business transactions with the denominational organisation.
- (g) Accepting any gratuity, favour, benefit, or gift of greater than nominal value or any commission or payment of any sort in connection with work for the denominational organisation other than the compensation agreed upon between the denominational organisation and the employee.

- (h) Making use of any confidential information acquired through employment by the denominational organisation for personal profit or advantage, directly or indirectly.

### **3. STATEMENT OF ACCEPTANCE**

The chief administrative officer of the organisation concerned shall present a statement of acceptance of the policy on conflict of interest to denominational administrators and departmental leaders and to each member of the boards of trustees and all employees of denominational associations and institutional corporations having responsibility in connection with the handling of trustee funds, and such statements shall be signed and made available to the responsible auditors. The board of trustees of such organisations shall be appraised annually by denominational auditors of inherent exposures to denominational assets. The method and extent of the use of the statement of acceptance shall be at the discretion of the Division concerned.

## **G. TRUSTEE QUALIFICATIONS** (revised Dec 2015)

### **CHARITIES ACT 1992 SECTIONS 45 & 46 ON DISQUALIFICATION**

1. Subject to the following provisions of this section, a person shall be disqualified for being a charity trustee or trustee for a charity if:
  - (a) he has been convicted of any offence involving dishonesty or deception;
  - (b) he has been adjudged bankrupt or sequestration of his estate has been awarded and (in either case) he has not been discharged;
  - (c) he has made a composition or arrangement with, or granted a trust deed for, his creditors and has not been discharged in respect of it;
  - (d) he has been removed from the office of charity trustee or trustee for a charity by an order made
    - (i) by the Commissioners under section 20(1A) (i) of the 1960 Act (power to act for protection of charities) or under section 20(1) (i) of that Act (as in force before the commencement of section 8 of this Act), or
    - (ii) by the High Courton the grounds of any misconduct or mismanagement in the administration of the charity for which he was responsible or to which he was privy, or which he by his conduct contributed to or facilitated;
  - (e) he has been removed, under section 7 of the Law Reform (miscellaneous Provisions) (Scotland) Act 1990 (power of Court of Session to deal with management of charities), from being concerned in the management or control of anybody;
  - (f) he is subject to a disqualification order under the Company Directors Disqualification Act 1986 or to an order made under section 429 (2) (b) of the Insolvency Act 1986 (failure to pay under county court administration order).
2. In subsection (1)
  - (a) paragraph (a) applies whether the conviction occurred before or after the commencement of that subsection, but does not apply in relation to any conviction which is a spent conviction for the purposes of the Rehabilitation of Offenders Act 1974;
  - (b) paragraph (b) applies whether the adjudication of bankruptcy or the sequestration occurred before or after the commencement of that subsection;
  - (c) paragraph (c) applies whether the composition or arrangement was made, or the trust deed was granted, before or after the commencement of that subsection; and
  - (d) paragraphs (d) to (f) apply in relation to orders made and removals effected before or after the commencement of that subsection.

3. Where (apart from this subsection) a person is disqualified under subsection (1)(b) for being a charity trustee or trustee for any charity which is a company, he shall not be so disqualified if leave has been granted under section 11 of the Company Directors Disqualification Act 1986 (undischarged bankrupts) for him to act as director of the charity; and similarly a person shall not be disqualified under subsection (1)(f) from being a charity trustee or trustee for such a charity if:
  - (a) in the case of a person subject to a disqualification order, leave under the order has been granted for him to act as director of the charity, or
  - (b) in the case of a person subject to an order under section 429(2) (b) of the Insolvency Act 1986, leave has been granted by the court which made the order for him to so act.
  
4. The Commissioners may, on the application of any person disqualified under subsection (1) waive his disqualification either generally or in relation to a particular charity or a particular class of charities; but no such waiver may be granted in relation to any charity which is a company if:
  - (a) the person concerned is for the time being prohibited, by virtue of
    - (i) a disqualification order under the Company Directors Disqualification Act 1986, or
    - (ii) section 11(1) or 12(2) of that Act (undischarged bankrupt; failure to pay under county court administration order), from acting as director of the charity; and
  - (b) leave has not been granted for him to act as director of any other company.
  
5. Without prejudice to the generality of section 13 of the Interpretation Act 1978 (anticipatory exercise of powers), the Commissioners may:
  - (a) at any time before the commencement of subsection (1) above, and
  - (b) on the application of a person who would be disqualified under that subsection as from that commencement,
 grant that person a waiver under subsection (4) taking effect as from that commencement.
  
6. Any waiver under subsection (4) shall be notified in writing to the person concerned.
  
7. For the purposes of this section the Commissioners shall keep, in such manner as they think fit, a register of all persons who have been removed from office as mentioned in subsection (1)(d) either:
  - (a) by an order of the Commissioners made before or after the commencement of subsection (1), or
  - (b) by an order of the High Court made after the commencement of that subsection
 and where any person is so removed from office by an order of the High Court, the court shall notify the Commissioners of his removal.
  
8. The entries in the registrar kept under subsection (7) shall be available for public inspection in legible form at all reasonable times.

#### **PERSONS ACTING AS CHARITY TRUSTEES WHILE DISQUALIFIED**

1. Subject to subsection (2), any person who acts as a charity trustee or trustee for a charity while he is disqualified for being such a trustee by virtue of section 45 shall be guilty of an offence and liable:
  - (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum, or both;
  - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or both.
  
2. Subsection (1) shall not apply where:
  - (a) the charity concerned is a company, and
  - (b) the disqualified person is disqualified by virtue only of paragraph (b) or (f) of section 45 (1).

3. Any acts done as charity trustee or trustee for a charity by a person disqualified for being such a trustee by virtue of section 45 shall not be invalid by reason only of that disqualification.
4. Where the Commissioners are satisfied:
  - (a) that any person has acted as charity trustee or trustee for a charity (other than an exempt charity) while disqualified for being such a trustee by virtue of section 45, and
  - (a) that, while so acting, he has received from the charity any sums by way of remuneration or expenses, or any benefit in kind, in connection with his acting as charity trustee or trustee for the charity,

they may by order direct him to repay to the charity the whole or part of any such sum, or (as the case may be) to pay to the charity the whole or part of the monetary value (as determined by them) of any such benefit.
5. Subsection (4) does not apply to any sums received by way of remuneration or expenses in respect of any time when the person concerned was not disqualified for being a charity trustee or trustee for the charity.

## **H. SERVICE RECORDS** (revised Dec 2015)

The original service record cannot be given to the employee under any circumstances, but each employee shall be given a copy of the record not less than biennially. An employee shall also be given a copy of the service record at any time at his/her request, by the individual's last employing organisation each time a transfer is made from one denominational organisation to another and at the time the employee leaves denominational employment.

## **I. BUILDING ACQUISITION, MAJOR RENOVATIONS AND LOAN POLICY**

(revised 29 Feb 2024)

The acquisition and major renovations of property are among the larger of financial decisions made by local congregations, Conference/Mission and Union Executive Committees. Each committee has a specific role. The purpose of this policy is to define the objectives and boundaries of each. The committee with whom beneficial ownership resides (usually the Conference/Mission) has the greatest duty of care. Prior to an offer being made, respective officers will have had a valuation survey by a qualified surveyor of the property to support their bid. Such documentation will be presented to respective committees prior to an offer / works being supported.

The Seventh-day Adventist Association (SDAA) is the titular owner of all properties within the British Union Conference except for the Republic of Ireland where the Seventh-day Adventist Church in Ireland (SDACI) is the titular owner. Any contract relating to major building works or purchases will be with the relevant titular owner, who will take instruction from the beneficial owner executive committee.

### **Need Assessment**

The purchasing body shall assess the need of a new property with regard to the growth and capacity of the church represented. Such churches will demonstrate harmony, growth and a preparedness to maximise the use of the building in services including but beyond regular worship services. The return on capital employed is to be viewed with reference to the total spiritual and charitable use of the properties.

### **Prioritisation of Need**

Where several churches are simultaneously attempting to acquire buildings, priority will be given to those churches with a strong track record of stewardship with regard to their building fund.

### **Proximal Position of the Church**

Church buildings lie at the heart of church communities. Every effort shall be made to purchase buildings or land central to the witness of constituent members. Where a church group decides to purchase property in the vicinity of another church group, consultation between church groups and the Conference/Mission shall be made prior to an offer to purchase.



Church, office and institutional buildings represent the whole of the Seventh-day Adventist Church; as such they should be positioned and maintained so as to represent our key values and must be deemed to be a suitable building for the purpose for which they are being purchased.

### **Availability of the Church to the Public**

Congregations should have strategic plans to make their church building available for community use, in accordance with the values and ethos of the Seventh-day Adventist church, while at the same time having due regard to the church's own nurture and evangelistic programmes.

### **Maintenance & Condition of the Building**

A building survey prior to a tender being made shall assess the total cost of purchase, maintenance and repairs, such that the building can be used for its intended purpose.

### **Covenants, Insurability and Restrictions**

Care and consideration shall be given to identify such covenants, insurance risks and restrictions that would contribute additional operating costs during the life time usage of the property. The following are some examples of such matters:

- Restrictive covenants from previous owners
- Listed building status
- Tree preservation orders
- Stained glass windows

These shall be disclosed to the authorising committees, together with a strategic plan for dealing with them.

### **Affordability**

All buildings purchased shall represent good value for money with reference to prices in the region of purchase. Purchase at premium prices in competitive markets should be resisted.

Financial plans will be assessed with regard to the ability of a church to provide resources not just for the purchase but its ability to sustain the operation of a comprehensive ongoing church programme. In making this assessment, regard will be given to giving patterns over the last three years in terms of tithe, non-tithe and Gift Aid returns.

The financial plan will disclose all resources of the church: reserves dedicated to the purchase of buildings, the current annual budget and a feasible operating budget contingent on purchase.

Regard will be given to anticipated cost of borrowing over the life of any loans taken with a commercial view to the volatility of interest rates.

Pledges from members are regarded as an indication of both willingness and capacity to fund. They are understood to have no legal basis and are thus to be discounted in terms of materiality when included in to financial plans.

External funding from either the Conference/Mission/beneficial owner or public authorities should be assessed and approved by appropriate committees prior to Contracts being signed by the Seventh-day Adventist Association Ltd.

### **Approval and Limits on Borrowing**

It is the responsibility of the beneficial owner to understand the approvals necessary and to submit applications to each approving body, allowing sufficient time for committees to meet, and supplying sufficient documentation for committees to carry out their due diligence.

Reference shall be made to TED Policy S15.

This requires that TED executive committee approval be obtained prior to the beginning of construction where:

- (i) Total project borrowing exceeds 15 times the Local Wage Factor (LWF = BUC Annual Basic Salary Factor), or
- (ii) The total estimated completed project cost exceeds 30 times LWF.

BUC approval shall be required when any of the following criteria are encountered:

- (i) The total estimated completed project costs exceeds 15 times LWF.
- (ii) Borrowing on a project is greater than 25% of the total projected budget.
- (iii) The total loan profile of the Conference/Mission exceeds 20% of the Conference/Mission's unallocated funds.
- (iv) The denominationally calculated working capital of the Conference/Mission is less than six months.
- (v) The Conference/Mission total loan liability exceeds twice the non-tithe annual income.

### **Ownership and Title**

All properties are registered in the name of the SDAA (for UK properties) and SDACI (for properties in the Republic of Ireland), the titular owner, that holds all properties in trust for the beneficial owner, usually the Conference/Mission in whose territory the local church, office, institution building resides. Congregations, Conferences & Missions and the Institutions have the responsibility of maintaining buildings in their use and insuring them with the support of the beneficial owner.

### **Communication**

In order to avoid confusion and to expedite matters during the sale or purchase process the secretary of the SDAA or SDACI should be the person giving instruction to solicitors handling the conveyance. For major building works the secretary of the SDAA or SDACI should be the person signing contracts with Contractors. In the absence of the secretary the BUC Treasurer will give instruction or sign contracts on behalf of SDAA or SDACI. Solicitors may seek information direct from other involved parties but will not accept instruction from them.

## **J. INVESTMENT POLICY** (added Dec 2022)

The purpose of this policy is to state general attitudes and guidelines regarding investment decisions made by the BUC and its constituent fields. It is intended to be sufficiently specific to be meaningful but adequately flexible to be practical.

### **Investment Objectives**

1. Preservation of purchasing power – In order to preserve the purchasing power of the BUC's assets, asset growth net of all fees should exceed the rate of inflation.
2. Long-term capital growth – It is recognised that on occasion, market fluctuations may sometimes result in negative rates of return, however, the long-term growth of the BUC's assets should aim to be preserved.

### **Investment Guidelines**

#### *Ethical Investments*

The BUC is a socially responsible, religious organisation. Its assets must be invested in a manner that is consistent with the ethical norms and beliefs of the Seventh-day Adventist Church. As such, the BUC's assets should not be invested in any company whose principal business is not in line with, or which controls a significant portion of the market in industries that are not in line with, the ethical standards of the Seventh-day Adventist Church. This includes, for example, any of the following industries:

- Alcoholic beverages
- Tobacco
- Casinos and gambling
- Pornography
- Arms industry

#### *Risk Management*

It is recognised that risk (i.e. the uncertainty of future events), volatility (i.e. the potential for variability of asset values) and the possibility of loss in purchasing power (e.g. due to inflation of currency depreciation)

are present to some degree in all types of investments. The following guidelines should be carefully considered:

1. **Controlled Risk:** While high levels of risk are to be avoided, the prudent assumptions of controlled risk are warranted and encouraged in order to allow for the opportunity to achieve satisfactory long-term results consistent with the objectives of the BUC.
2. **Prudent Safeguards:** Appropriate safeguards must be present in line with what a prudent expert investor would adhere to.
3. **Portfolio Diversification:** The investment portfolio should be well diversified to avoid undue exposure to any single country, economy, currency, economic sector, industry, or individual security.
4. **Quality & Liquidity:** Investments should be of good quality (e.g. stocks should be listed on major exchanges or easily traded in the over-the-counter market) and adequately liquid relative to the size of the investment.
5. Unduly speculative equity issues should be avoided.
6. All transactions must be in the sole interest of the BUC.
7. Realisation of gains and losses should be viewed solely in terms of investment merits.

*Asset Allocation*

1. By Tactical Positioning

	<b>Defensive</b>	<b>Neutral</b>	<b>Growth</b>
Cash and Fixed Income	70%	60%	50%
Equities	30%	40%	50%
<b>TOTAL:</b>	100%	100%	100%

2. By Function

	<b>Short-term</b>	<b>Medium-term</b>	<b>Long-term</b>
Cash equivalents (e.g. money market, short-term bonds, etc.)	5 – 10%		
Fixed Income (e.g. bonds, gilts, treasury bills, interest bearing, etc.)		45 – 60%	
Ownership (e.g. equity/stocks, etc.)			30 – 50%

**K. RECOGNITION OF LAY PREACHERS** (added Mar 2023)

In order to maintain a high standard of lay preaching within the BUC and its constituent conferences and missions, suitably gifted, experienced, and qualified lay preachers should be officially recognised.

A lay preacher who preaches in their own church may be recommended for such recognition by a minuted action of the church board. This recommendation should be passed on to the local conference or mission, whereupon official recognition may be granted by minuted action of the executive committee. Once voted, the recognition should be recorded in ACMS by means of a suitable tag.

Such recognition is normally valid until the next conference or mission session, but may be withdrawn at any time by minuted action of the executive committee.