



Structuring Relationships

Between
Seventh-day
Adventist® Church
Organizations
and Independent
Ministries



Introduction

The Seventh-day Adventist Church operates through the efforts of both committed Christian individuals and organizations tied together through common beliefs and a system of governance that is set forth in its legal documents and policies. The governing rules and principles form the foundation of how Adventist organizations operate.

Since its beginning, Adventist lay members have been convicted by the Holy Spirit to spread the good news of Jesus throughout the world. This conviction has caused many faithful believers to devote their professional lives within Adventist organizations.

Others, however, form independent ministries and engage in ministry that is independent of the Adventist Church organization. These “independent ministries” also play a significant role in spreading the good news of Jesus’ love and His soon return.



The Issues Before Us

In the recent past, some Adventist organizations have not acted carefully when forming relationships with independent ministries. Such relationships have lacked the typical formalities that most would insist on when forming a relationship with another commercial organization. This has led to claims and legal exposure for some Adventist organizations that have treated relationships with independent ministries in a lax or informal manner. In some instances, this approach has harmed the Adventist Church, and, in some cases, caused tremendous strain on the financial resources.

This document will not solve every possible issue that could arise between an Adventist organization and an independent ministry. What it will accomplish, however, is to frame some areas that can create problems and legal exposure to Adventist organizations because of the operation and behavior of the independent ministry and its staff. This document and the thoughts in it encourage proper operation and protection for all.

The Primer will cover the following areas:

- 01 Corporate Formation**
- 02 Operations**
- 03 Publications and Signage**
- 04 Social Media/Internet Sites**
- 05 Financial Practices**
- 06 Real Estate**
- 07 Board Membership**
- 08 Licenses/Accreditation**
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01

Corporate Formation

The Adventist Church is designed by policy and structure to work together. Typically, Adventist organizations should not form new corporations or other business organizations without vetting the idea thoroughly. Adventist organizational leaders at all levels should be aware of the formation of any organizations. It is typically not a good idea for conference leadership to be involved in forming a corporation of any kind without involvement and approval of the union and the division. They should also seek input from the Office of General Counsel (OGC) at the General Conference of Seventh-day Adventists (GC).

The formation of any corporation should be done within the boundaries of all applicable policies. These partnerships should be well-thought-out and properly managed by the Adventist organization involved in forming such a corporation.

Not only is this the proper way to operate responsibly, but it also minimizes the legal exposure

to Adventist organizations. Conference leadership or other leaders involved in the formation of a corporation create potential liability for the Adventist organization if the corporation is viewed as an extension of the Adventist Church.

This may not become a problem if the independent ministry is well-run and fiscally responsible. Independent ministries that are poorly run or are involved in difficult claims or other financial problems can cause challenges for its partners.

If lay members wish to form a corporation for an independent ministry, official Adventist Church organizations should not be involved in any way. Independent ministries that wish to work with the conference should do so only if the relationship is formally defined. Adventist organizations should engage in an appropriate level of due diligence so they do not associate themselves with a poorly funded independent ministry or one that will poorly reflect the mission of the Adventist Church.

02

Operation

Adventist leaders must perform due diligence regarding the operations of the independent ministry before engaging them on any level. The following are areas to review:

- 1) **Proper Staffing**—Independent ministries must be properly staffed. This means sufficient qualifications for the activity performed (teaching certifications, counseling education and licenses, construction licenses and experience, etc.) and enough staff to operate properly and safely.
- 2) **Human Resources**—This is a critical function in every organization. The independent ministry must properly document the hiring process, including background checks, qualifications, work authorization and immigration status, and non-discrimination policies.
- 3) **Workplace Policies**—The independent ministry must have workplace policies that are in harmony with the Seventh-day Adventist mission. They must have policies renouncing illegal discrimination. Gender and sexual orientation issues should be addressed in a way that recognizes the rights of all.
- 4) **Screening**—The independent ministry must perform reference checks and appropriate background checks for all its employees, and it must refrain from hiring those who have harmed vulnerable people in the past.
- 5) **Discipline**—The independent ministry must have clear policies concerning how employee discipline is conducted and who conducts it.
- 6) **Reporting**—Employees should not be shared or loaned. Employees employed by an official entity of the Adventist Church should report to a manager at the Adventist organization. Likewise, employees of independent ministries should report to the leadership of their organization and not to Adventist leadership.
- 7) **Child Protection**—Independent ministries who work with children and other vulnerable people should have staff training on how to detect abuse and what to do if abuse is detected.



03

Publication and Signage

This has more to do with the Adventist organization and whether it mentions the independent ministry in its official publications, signage, or on the internet. Consider the following issues:

- 1) The independent ministry should not be listed in the Adventist organizational directory. The only organizations that should be listed in a directory are official Adventist entities, not independent ministries.
- 2) The independent ministry should not be featured in news publications, such as a union magazine.
 - a. If it is mentioned because of some joint activity with the conference or a local church, the relationship should be clearly and succinctly described. There should be no confusion about the independent ministry and its relationship to the conference.
- b. There should be no confusing language that could leave a reader to conclude that the independent ministry is part of the conference or another Adventist organization.
- 3) Signs and publications of the independent ministry should not mention the Seventh-day Adventist Church or state that it is related to or affiliated with the Adventist Church or one of its organizations. The goal is to avoid allowing the independent ministry to mislead anyone regarding its relationship with the Adventist Church.

Adventist organizations should monitor the independent ministry's internet presence, signage, and publications for compliance.

04

Social Media/Internet Sites

Independent ministries should not state on social media or web pages that they are affiliated with an Adventist organization. Any mention of the Adventist Church organization should, by agreement, be approved prior to publication by the Adventist organization. Again, the idea is to insist that the independent ministry refrain from misstating the relationship. Adventist organizations should monitor the independent ministry's internet presence, signage, and publications for compliance. If the independent ministry inaccurately describes the relationship, appropriate action should follow to correct the record.

05

Financial Practices

Independent ministries must be financially independent and responsible. The following guidelines should be followed when considering a working relationship with an independent ministry:

- 1) School tuition subsidies ideally should be limited to Seventh-day Adventist schools. If a conference wishes to provide tuition subsidy for a student enrolled in an independent school, it should have a policy whereby such schools outside the Adventist system will be considered for subsidy. In these situations, subsidies should be characterized as an employee benefit or student financial need rather than as support for or endorsement of the independent ministry.
- 2) No direct subsidies from a conference or local church should be given to an independent ministry without a written agreement. Subsidies from Adventist organizations should not represent the majority of the finances of the independent ministry, as this may indicate control.
- 3) The independent ministry should have adequate liability insurance. At a minimum, coverage should be equal to that set forth in the North American Division of the Seventh-day Adventist Church (NAD) Working Policy for Adventist entities. Coverage should be checked, verified, and monitored. The insurance policies should have sufficient limits and should protect the Adventist organization along with the independent ministry.
- 4) The independent ministry should be subject to a financial audit, and financial records should be made available to the Adventist organization.
- 5) The independent ministry should use proper accounting and financial recordkeeping methods.
- 6) An independent ministry should not be permitted to use the Employer Identification Number (EIN) or tax exemption of an Adventist organization.



06

Real Estate

Independent ministries who use Adventist-owned property and vice versa should memorialize such use with a land-use agreement or lease. These documents should be drafted by an attorney and properly executed, and copies retained.

When a conference-owned church or school operates on the premises of an independent ministry, it is important to clearly go through the process of establishing the new school or church and to keep these organizations separate from the independent ministry. The only use of the independent ministry's property must be set forth in a land-use agreement or lease.



07

Board Membership

Anyone employed by an Adventist organization must comply with NAD Working Policy regarding serving on the board of an independent ministry.

- 1) The independent ministry should provide appropriate training and screening, including
 - a. Financial training, involving how to read or review financial records
 - b. Abuse reporting training
 - c. Background screening should be conducted
 - d. Adventist leaders who serve on a board of an independent ministry must disclose their board membership to their employer.
- 2) Adventist leaders invited to serve on the board of an independent ministry should refuse to serve in the ex officio capacity (by virtue of the office or position). Rather, if appropriate, they should serve as an elected or appointed board member.

08

Licenses/Accreditation

Independent ministries should apply for and receive their own licenses and accreditation without involvement or support from the Adventist entities. Their submissions to governmental agencies should not represent that the independent ministry is connected to the Adventist Church.



The relationship between the Adventist organization and the independent ministry should not be nuanced or misstated for purposes of immigration issues.

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Insurance

Although this is covered within the section concerning financial practices, we cannot urge strongly enough to allow Adventist Risk Management, Inc. (ARM) to review the insurance policies of the independent ministry for suitability and compliance with NAD Working Policy.

09

Immigration

Neither the independent ministry nor the Adventist organization should employ, or ask to serve as volunteers, those who are illegally present in the country. If a person does not have work authorization, they should not be employed. The relationship between the Adventist organization and the independent ministry should not be nuanced or misstated for purposes of immigration issues. Such misstatements can come up in correspondence when language is loose or inaccurate.

In addition, the Adventist organization should not misstate the nature of the relationship to any governmental agencies. For example, the Adventist organization should not write a letter stating that someone applying for a visa or work authorization works for the Adventist Church organization when they, in fact, are employed by an independent ministry.

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Miscellaneous

- 1) Public statements (in sermons, graduation speeches, constituency meetings, etc.) about an independent ministry should be done carefully and should not exaggerate or otherwise misstate the relationship between the independent ministry and the Adventist Church.
- 2) Similarly, church bulletins should not misstate the relationship between entities.
- 3) Various letters and other forms of written communication should take care to accurately

describe the relationship between the independent ministry and the Adventist Church or refrain from such descriptions altogether. Letters can be resurrected and used later to create the impression of a relationship that did not or does not exist. The impression may be baseless, but it is built on imprudent statements or written communications.

- 4) Local churches should not take up and remit a specific offering to the independent ministry without conference approval. Such remittance should follow specific guidelines.

Conclusion

These are a few guidelines to help you create a healthy relationship with an independent ministry. Most times, these independent ministries are critical to fulfilling God's mission on earth. We should not fear working with independent ministries, but we should prioritize a clear and formally established relationship as well as proper monitoring as the relationship moves forward. By doing so, Adventist organizations can better focus on their mission and will also provide ARM and your attorneys a means to defend you against claims for the behavior of the independent ministry.

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