

## E 85 Conflict of Interest and/or Commitment

### <sup>1</sup> E 85 05 Conflict of Interest and/or Commitment Defined-

Conflict of interest shall mean any circumstance under which an employee or volunteer by virtue of financial or other personal interest, present or potential, directly or indirectly, may be influenced or appear to be influenced by any motive or desire for personal advantage, tangible or intangible, other than the success and well being of the denomination. Because of the common objectives embraced by the various organizational units and institutions of the Seventh day Adventist Church, membership held concurrently on more than one denominational committee or board does not of itself constitute a conflict of interest provided that all the other requirements of the policy are met. However, an officer, trustee, or director serving on an organization's board is expected to act in the best interest of the organization and its role in denominational structure. A conflict of commitment shall mean any situation which interferes with an employee's ability to carry out his/her duties effectively. Elected, appointed, or salaried employees on full time assignment are compensated for full time employment; therefore, outside or dual employment or other activity, whether compensated or not, that in any way interferes with the performance of an employee's duties and responsibilities is a conflict of commitment. A conflict of commitment also exists in situations where an employee functions contrary to the values and ethical conduct outlined in the organization's statement of ethical foundations and conduct (see model Statement of Ethical Foundations recommended by the 1999 Annual Council as guidelines for divisions) or when an employee functions contrary to established codes of ethical conduct for employees in particular professions (e.g. legal, investments).

### E 85 10 Individuals Included Under This Policy-

All trustees, officers, executive committee/board members, employees, and volunteers of denominational organizations shall be subject to this policy.

### E 85 15 Conditions Constituting Conflict-

A trustee, officer, executive committee/board member, employee, or volunteer has a duty to be free from the influence of any conflicting interest or commitment when serving the organization or representing it in negotiations or dealings with third parties. Both while on and off the job an employee is expected to protect the best interests of the employing organization. The following list, though not exhaustive, describes circumstances and conditions that illustrate conflict of interest or commitment:

1. Engaging in outside business or employment that encroaches on the denominational organization's call for the full services of its employees even though there may be no other conflict.
2. Engaging in business or employment that is in any way competitive or in conflict with any transaction, activity, policy, or objective of the organization.
3. Engaging in any business with or employment by an employer who is a supplier of goods or services to any denominational organization.
4. Making use of the fact of employment by the denominational organization to further outside business or employment, associating the denominational organization or its prestige with an outside business or employment, or using one's connection to the denomination to further personal or partisan political interests.
5. Owning or leasing any property with knowledge that the denominational organization has an active or potential interest therein.
6. Lending money to or borrowing money from any third party, excluding financial institutions, who is a supplier of goods or services, or lending to/borrowing from a trustor or anyone who is in any fiduciary relationship to the denominational organization or is otherwise regularly involved in business transactions with the denominational organization.
7. Accepting or offering of any gratuity, favor, benefit, or gift or of any commission or payment, monetary or non-monetary, of greater than nominal value, in connection with work for the denominational organization other than the compensation agreed upon between the denominational organization and/or the employer and the employee.
8. Making use of or disseminating, including by electronic means, any confidential information acquired through employment by the denominational organization for personal profit or advantage, directly or indirectly.
9. Using denominational personnel, property, equipment, supplies, or goodwill for other than approved activities, programs, and purposes.
10. Expending unreasonable time, during normal business hours, for personal affairs or for other organizations, to the detriment of work performance for the denomination.

11. Using one's connections within the organization to secure *favours* for one's family or relatives.

E 85 20 Statement of Acceptance-

1. By employees-At the time of initial employment an employee shall sign a statement indicating acceptance of the conditions of employment as outlined in the organization's employee handbook. This acceptance shall constitute the employee's declaration of compliance and resolve to remain in compliance with the conflict of interest and/or commitment policy. On an annual basis the employer shall provide employees with a copy of the Statement of Ethical Foundations, plus a copy of the conflict of interest and/or commitment policy, and shall inform employees regarding the duty to disclose potential conflicts of interest and/or commitment.

2. By administrators, department directors and trustees-The chief administrator, or designee, of the organization concerned shall receive annually a statement of acceptance and compliance with the policy on conflict of interest and/or commitment from each administrator, department director, member of the board/executive committee, and any other person authorized to handle resources of the organization. (The employing organization may determine that other individuals shall also be required to submit annually a statement of acceptance and compliance.)

Submission of the statement by persons identified above shall constitute a declaration of compliance with the policy and shall place the individual under obligation to disclose potential conflicts of interest and/or commitment that may arise during the ensuing year.

3. All statements of acceptance and compliance shall be reviewed annually through a process and reporting mechanism as determined by the board/executive committee of the organization.

E 85 25 Reporting Potential or Actual Conflicts of Interest or Commitment-

All present and potential conflicts of interest must be disclosed:

1. If known, in advance of any meeting, business transaction, or other activity at which the issue may be discussed or on which the issue may have a bearing on the person's approach to the issue, whether directly or indirectly; or

2. If not known in advance, when the actual, possible, or potential conflict becomes apparent. Disclosure must be made to the person in charge of the meeting or activity and to the full meeting, or to the person's supervisor, as appropriate. The person should remove himself/herself from the room or situation to avoid participation in all discussion or deliberation on the issue, and voting. All such actions should be recorded in any minutes or records kept. Following full disclosure of the present or potential conflict, the board or equivalent group may decide that no conflict of interest exists and invite the participation of the person. This policy establishes a process which is self-identifying. However, third parties may report alleged conflicts in writing with supporting documentation, to an officer of the organization concerned if the employee fails to disclose a conflict or does so inadequately. The source of third party reports shall be held in confidence by the recipient unless it is required to divulge the information pursuant to a court order or if there is indication that the report is fraudulent or made with malicious intent.

E 85 30 Review Process for Conflicts of Interest and/or Commitment-

The officer or human resource/personnel office that receives the report of a conflict or potential conflict shall inform the employee's supervisor and shall have the matter reviewed by the appropriate employing authority or by the committee assigned to review such matters. If the disclosure has come from a third party, the officer or human resource/personnel office shall inform the employee concerned and shall give the employee an opportunity to submit any information which may help in the review of the reported conflict. The decision of the employing authority or review committee as to whether or not a conflict exists shall be communicated to the employee in writing.

E 85 35 Sanctions for Noncompliance—

Non-compliance includes failure to:

1. Comply with this policy;

2. Report accurately on the disclosure form;

3. Comply with decisions made by the employing authority or review committee as a result of reported potential or actual conflicts of interest and/or commitment. Non-compliance may result in disciplinary action, up to and including termination from employment. Termination from employment shall be processed in harmony with existing policies.

**CONFLICT OF INTEREST  
DECLARATION STATEMENT OF ACCEPTANCE**

THIS DECLARATION applies, to the best of my knowledge, to all members of my immediate family (spouse, children, parents) and its provisions shall protect any organization affiliated with or subsidiary to The Alberta Conference of the Seventh-day Adventist Church. In the event facts change in the future that may create a potential conflict of interest, I agree to notify The Alberta Conference of the Seventh-day Adventist church in writing.

- I. I have read the Statement of Ethical Foundations and the policy on Conflict of interest and/or Commitment.
2. I am in compliance with my employer's policy on Conflict of Interest and/or Commitment as printed above.
3. Except as disclosed below:
  - a. Neither I nor my family have a financial interest or business relationship which competes with or conflicts with the interests of The Alberta Conference of the Seventh-day Adventist Church.
  - b. Neither I nor my family have a financial interest in nor am or have been an employee, officer, director, or trustee of, nor receive/have received financial benefits either directly or indirectly from any enterprise (excluding less than five percent (5%) ownership in any entity with publicly traded securities) which is or has been doing business with or is a competitor of The Alberta Conference of the Seventh-day Adventist Church.
  - c. Neither I nor my family receive/received any payments or gifts, monetary or non-monetary (other than of nominal value) from other denominational entities, suppliers, or agencies doing business with The Alberta Conference of the Seventh-day Adventist Church.
  - d. Neither I nor my family serve/have served as an officer, director, trustee, or agent of any organization affiliated with or subsidiary to The Alberta Conference of the Seventh-day Adventist Church in any decision making process involving financial or legal interests adverse to The Alberta Conference of the Seventh-day Adventist Church.

Disclosures:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Name Position/Title Date**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Position title**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature**

**PLEASE MAKE A PHOTOCOPY OF THIS DOCUMENT FOR YOUR RECORDS.**

# The Alberta Conference of the Seventh-day Adventist Church

## **STATEMENT OF INVESTMENT POLICY AND PROCEDURES**

## **Statement of Investment Policies and Procedures Summary**

### **Section I: General Overview**

The Statement of Investment Policies and Procedures outlines the investment strategy for assets managed by The Alberta Conference of The Seventh-day Adventist Church, covering various fund types including Operating, Endowment, Agency, and Other Restricted Funds. The Policy establishes guidelines, principles, and monitoring procedures to ensure compliance with the Conference's objectives and legal requirements.

### **Section II: Administration**

#### **Governance**

The Executive Committee (EXCOM) oversees operations, delegating investment responsibilities to the Investment Committee (the Committee).

#### **Responsibilities**

The Committee is responsible for overseeing investment activities, retaining qualified personnel, and monitoring performance.

#### **Custodianship**

Investments must be held by recognized custodians such as RBC Dominion Securities, BMO Nesbitt Burns, and Retirement Active Financial Management. All assets should be designated as held in trust for the Conference.

#### **Professional Management**

Investments must be managed by professional investment managers, prohibiting direct investments by Committee members or Conference staff.

#### **Manager Structure**

The Committee will maintain a current description of the investment manager structure, ensuring that all managers sign the Policy.

#### **Expert Consultation**

Independent experts may be engaged by the Committee as needed.

### **Section III: Funds Overview**

#### **Types of Funds**

- **Operating Funds:** Available funds for operational needs.
- **Endowment Funds:** Permanently restricted funds with income disbursed per specific conditions.

- **Agency Funds:** Funds held in trust for local entities.
- **Other Restricted Funds:** Funds with external restrictions for specific purposes.

## **Section IV: Permitted Categories of Investment**

### **Investment Overview**

This section specifies eligible investment categories and subcategories, requiring compliance with liquidity and rating criteria.

### **Investment Vehicles**

1. **Short-Term Funds:** Includes CDs, money market funds, and G-7 government securities.
2. **Intermediate-Term Funds:** Comprises all short-term investments, investment-grade bonds, and certain loans.
3. **Long-Term Funds:** Encompasses all previous categories, plus various secured loans and equity-focused funds.
4. **Special Consideration Securities:** Requires approval for certain investments like common stocks, mortgage-backed securities, and high-yield bonds.

### **Prohibited Investments**

Investments in commodities, precious metals, bullion, and collectibles are prohibited.

## **Section V: Asset Allocation Policy**

### **Asset Allocation**

The strategy seeks a balance between bonds and equities, considering the long-term nature of the funds. Key factors include:

- Long-term goals.
- Sensitivity to cost fluctuations and interest rates.

### **Component Asset Classes**

- **Equity Investments:** Includes Canadian and foreign equities.
- **Fixed Income:** Comprises fixed income securities and cash equivalents.
- **Other Investments:** As approved by the Board.

## **Return Objectives and Risk Expectations**

The Endowment and Agency Funds aim for a long-term return exceeding the Canadian Consumer Price Index change plus 5%, with a minimum nominal return of 7% annually.

Three main risks are identified: market misalignment, active management underperformance, and annual volatility.

## **Section VI: Portfolio Diversification and Constraints**

### **Diversification Guidelines**

- No more than 10% in a single issuer (except government debt).
- 5% cap for emerging markets.
- 50% industry limit (with exceptions for the financial industry).

### **Equity Portfolio**

North American equities must diversify by stock, capitalization, and industry. Non-North American equities are similarly diversified.

### **Fixed Income Constraints**

Bonds with ratings below required thresholds must be removed, and maximum corporate debt holdings are set. Mortgage-backed securities are capped at 15%.

## **Section VII: Loans and Borrowing**

### **Loan Policy**

Funds cannot loan assets except through permissible debt instruments, and borrowing against funds is restricted.

## **Section VIII: Voting Rights**

The investment manager exercises voting rights, must maintain records, and seek Committee guidance when necessary.

## **Section IX: Valuation of Investments**

Investments are valued monthly at market value. If unavailable, fair values must be estimated.

## **Section X: Related Parties and Conflicts of Interest**

Transactions involving related parties are restricted, and members must disclose conflicts of interest.

### **Section XI: Monitoring Investment Performance**

The Committee will conduct regular performance reviews and hold annual meetings with investment managers.

### **Section XII: Policy Review**

The Policy undergoes an annual review for necessary modifications based on various factors, with communication of any amendments to the Fund Manager.



The Alberta Conference of the  
Seventh-day Adventist Church

**Compensation Policy for Senior Education  
Managers**

## 1. Remuneration Factor

- **Remuneration Factor (RF):**  
The monthly remuneration factor is set at **\$6,003.00**.
- **Annual Adjustment:**  
The remuneration factor will be adjusted annually based on the **June Consumer Price Index (CPI)**.
- **Area Cost of Living Adjustment:**  
An additional **\$1,000.00** will be provided based on the Alberta Average Economic Research Institute (ERI) numbers.

## 2. Salary Range

- The salary range for Senior Education Managers is established between **83% to 102%** of the remuneration factor, plus the ERI adjustment.
  - **Minimum Salary:**  
Calculated as **83% of the RF + 83% of the Area Cost of Living**.
  - **Maximum Salary:**  
Calculated as **102% of the RF + 102% of the Area Cost of Living**.

## 3. Retirement Benefits

- **Defined Pension Benefit:**  
All Senior Education Managers are entitled to a defined pension benefit.
- **Group RRSP Matching:**  
The organization will match employee contributions to a Group RRSP ranging from **1% to 3%** of the employee's salary.

## 4. Health Benefits Program

- A comprehensive health benefits program will be provided, covering **medical, dental, and vision care**.

## 5. Termination Settlements

- Termination settlements will be conducted in accordance with common law requirements, ensuring fair and equitable treatment that adheres to legal standards.

## Review and Approval

This policy will be reviewed annually to ensure it remains aligned with industry standards and organizational goals. Amendments will be made as necessary based on legislative changes or organizational needs.

# The Alberta Conference of the Seventh-day Adventist Church

## **Governance Policy for Financial and Internal Controls**

## 1. Purpose

This policy aims to establish a robust framework for governance and internal control systems within our schools. It ensures the integrity, accountability, and transparency of financial operations, safeguarding the school's assets, ensuring compliance with applicable laws and regulations, and supporting the responsible management of financial resources.

## 2. Scope

This policy applies to all members of the governing body, administration, faculty, and staff involved in financial management and decision-making.

## 3. Internal Controls

### 3.1 Segregation of Duties

- **Objective:** To mitigate the risk of error and fraud through effective segregation of responsibilities.
- **Policy Statement:**
  - No single individual shall have control over all aspects of a financial transaction. Key roles include:
    - **Authorization:** Only the governing body or designated authority may authorize transactions.
    - **Execution:** The Finance Officer is responsible for executing transactions, including payments and receipts.
    - **Recording:** The accounting staff will maintain accurate financial records and prepare monthly financial statements.
- **Implementation Procedures:**
  - **Duties Assignment:** A clear chart of responsibilities shall be developed and maintained, outlining who is responsible for authorization, execution, and recording.
  - **Access Controls:** Secure access to financial systems will be enforced, ensuring that only authorized personnel can execute or approve transactions.
  - **Regular Reviews:** The governing body shall conduct quarterly reviews of all financial transactions to ensure compliance with this policy.

### 3.2 Capital Assets

- **Objective:** To ensure the effective management and protection of capital assets.
- **Policy Statement:**
  - The school shall maintain an accurate and up-to-date inventory of all capital assets, which includes property, buildings, equipment, and technology.
  - **Implementation Procedures:**
    - **Inventory Management:** An asset management system shall be established to track acquisition details (date, cost, source), current condition, and depreciation schedules.
    - **Regular Audits:** An annual physical inventory shall be conducted to verify the existence and condition of capital assets.
    - **Acquisition, Depreciation and Disposal Procedures:**
      - All Capital acquisitions must be approved by the governing body.
      - Depreciation applied must be in accordance with Accounting Standards.
      - Disposal of capital assets must follow a formal process, including evaluation of the asset's condition and potential resale value, and require approval from the governing body.

### 3.3 Reimbursement of Expenses

- **Objective:** To ensure transparency, accountability, and adherence to budgetary constraints in expense reimbursements.
- **Policy Statement:**
  - All reimbursements for expenses incurred by staff must be documented and approved before payment.
  - **Implementation Procedures:**
    - **Reimbursement Request Process:**
      - Employees must submit a Reimbursement Request Form within 30 days of incurring an expense, along with receipts and supporting documentation.

- The form must be signed by the employee and the immediate supervisor for approval.
- **Approval Process:** The Finance Officer will review and verify claims for accuracy and compliance with policy guidelines.
- **Payment Process:** Approved reimbursements will be processed in the salary payment for the month following their approval. All documentation will be retained for auditing purposes.
- **Expense Policy Review:** The governing body shall review the reimbursement policy annually to ensure it aligns with current practices and needs.

### 3.4 Investments

- **Objective:** To manage the school's investments prudently, balancing risk and return in line with the school's mission and goals.
- **Policy Statement:**
  - An investment policy will guide the school's investment strategies, reflecting the school's financial objectives and risk tolerance.
  - **Implementation Procedures:**
    - **Investment Policy Development:** The governing body will develop an investment policy that includes:
      - Objectives (e.g., growth, preservation of capital).
      - Permitted investment types (e.g., bonds, mutual funds, equities).
      - Risk tolerance levels and diversification strategies.
    - **Investment Oversight:** A designated Investment Committee will oversee investment decisions and performance. The committee will:
      - Meet quarterly to review investment performance against benchmarks.
      - Make recommendations for changes to the investment strategy as needed.
    - **Reporting:** The Finance Officer shall prepare a quarterly investment report detailing performance, compliance with the investment policy, and any recommended adjustments for the governing body.

#### **4. Review and Maintenance of Policies**

- The governing body will conduct an annual review of this policy to assess its effectiveness, ensuring it reflects current practices, regulatory requirements, and best practices.
- The governing body will document any amendments to this policy and communicate changes to all stakeholders.

#### **5. Documentation and Training**

- Proper documentation of all processes and decisions related to these internal controls must be maintained to ensure transparency and accountability.
- **Training Procedures:**
  - All staff involved in financial processes will receive annual training on this policy and related procedures.
  - The Finance Officer will conduct training sessions to promote understanding and adherence to financial policies, including how to report suspected fraud or misuse of resources.

#### **6. Non-Compliance**

- Instances of non-compliance with this policy must be reported immediately to the governing body. The governing body will investigate all reported instances of non-compliance.
- Disciplinary actions for non-compliance may include reprimands, suspension, or termination, depending on the severity and circumstances of the violation.

#### **7. Policy Amendments**

- This policy may be amended by the governing body as necessary. All amendments will be documented and communicated to relevant stakeholders.

#### **8. Conclusion**

This policy fosters a culture of transparency and ensures responsible stewardship of the school's resources, ultimately supporting its mission and objectives.