



SeLD 7204

Principles of Prioritization in Organizational Expenditures

**Principios de Priorización de Gastos
en la Organización**

COVID-19

Awakens us to new realities in organizational operation, especially as it relates to financial income and expenditure.

As we envision the reality of income reduction, this presentation focuses on principles of prioritization in organizational expenditure.

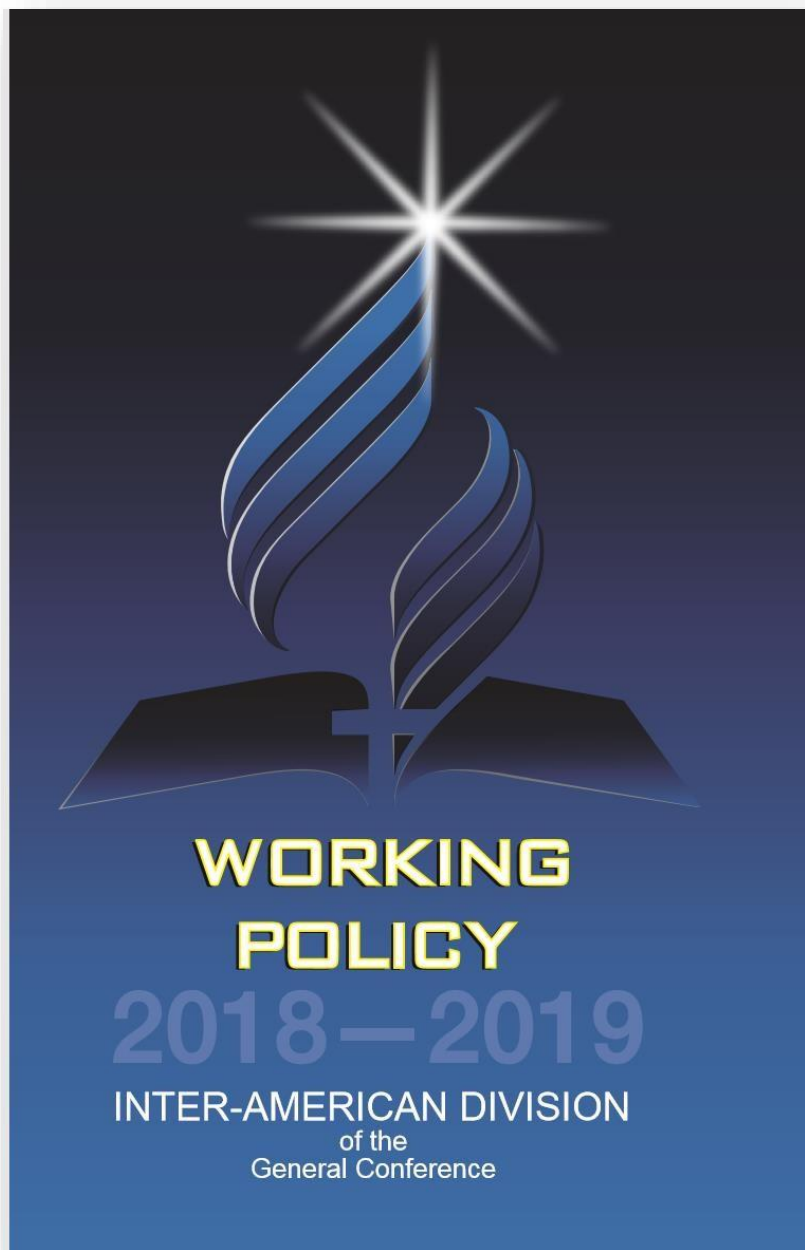
COVID - 19

Nos despierta a nuevas realidades en el funcionamiento organizacional, especialmente en lo que se refiere a los ingresos y gastos financieros. A medida que presenciamos la realidad de la reducción de los ingresos, esta presentación se centra en los principios de priorización en el gasto organizativo.



¿De qué tamaño es la
crisis económica por
el Covid-19?

What is the
DIMENSION of the
economic crisis of
COVID - 19?



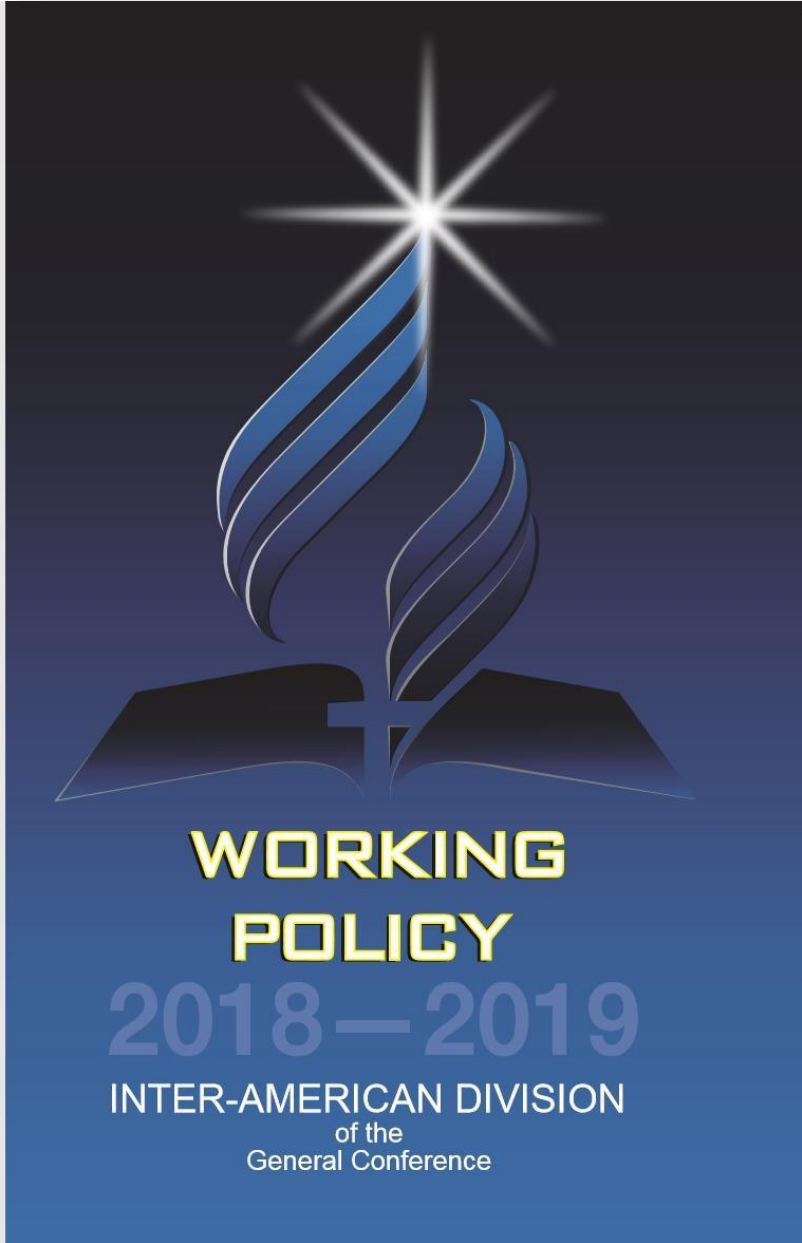
● O 06 Financial Planning and Budgeting Process

● O 06 05 Mission Driven Resource Allocation—

Each organization shall have a mission driven, broadly based consultative financial planning and budgeting process with a committee structure that can give detailed review to the ongoing financial planning and budgeting for the organization. In some cases, this may take the form of a finance committee. In other cases, the organization may be small enough that the process is handled directly by the governing body involved. If the organization's controlling board or executive committee establishes a separate committee for this purpose, the responsibilities should include reviewing budget requests and the review of the annual operating budget as well as a review of the organization's financial position as reflected in the financial statements. The approval of the budget and the review of the organization's financial statements would then be recommended to the controlling board or executive committee for action. In order to build a strong constituency, all conference/missions/fields are encouraged to prioritize mission in the budgeting process.

● O 06 10 Budgets—

All denominational organizations shall use an annual budget which is approved by the controlling board or executive committee. It shall be the responsibility of the officers of each level of organization to require organizations located within their territory to use a budget. Guidelines for preparing budgets are included in the Seventh-day Adventist Accounting Manual.



O 28 15 Financial Statement Review Committee—The General Conference, divisions, and unions shall each establish a subcommittee known as a financial statement review committee in order to be fully informed about the financial health of their respective subsidiary and affiliated organizations. This committee shall meet at least annually and discharge the functions as outlined in the charter provided to promote proactive responses to adverse financial trends. These meetings may be held in person or via conference call where such facilities are available and if considered appropriate.

1. Composition—The financial statement review committee should be comprised as follows:
 - a. Members of the respective General Conference, division, or union treasury teams.
 - b. The committee shall be chaired by the Treasurer/Chief Financial Officer or designee.
2. Charter (Terms of Reference)—The following represents the expected responsibilities of a financial statement review committee to be fulfilled each year. This charter should represent a working document that guides in managing the agenda of the committee.
 - a. Review audited or unaudited financial statements from subsidiary and affiliated organizations.
 - b. Identify adverse financial trends and discuss with the management team of that organization.
 - c. Evaluate the working capital and liquidity status of each organization and discuss with the management team plans to achieve and maintain recommended levels when deficiencies are noted.
 - d. Submit minutes of meeting to the Treasurer/Chief Financial Officer of the next higher organization to provide awareness of significant issues. In the case of the General Conference, those minutes should be provided to the General Conference officers.





SDA ENTITIES
IAD
Territory

Entidades **ASD**
Territorio de la
DIA

23,209 Churches and Congregations / Iglesias y Congregaciones

24 Unions / Uniones

156 Local Fields / Campos Locales

1075 Educational Institutions - Basic and Secondaries/ Instituciones educativas - Básicas y secundarias

11 Universities / Universidades

14 Hospitals / Hospitales

22 Clinics / Clínicas

2 Publishing Houses and 125 Book Stores / 2 Casas Publicadoras y 125 Librerías

15 Food Factories, including Branches / Fábricas de alimentos, incluidas las sucursales

8 Revolving Funds / Fondos rotativos

8 ADRA Country Offices / Oficinas Países ADRA

1 IAD Office / Oficina DIA





- 23,209 Churches and Congregations ★
- 24 Unions ★
- 156 Local Fields ★
- 1075 Educational Institutions - Basic and Secondaries ✨
- 11 Universities ✨
- 14 Hospitals +
- 22 Clinics +
- 2 Publishing Houses and 125 Book Stores 🍷
- 15 Food Factories, including Branches 🍷
- 8 Revolving Funds \$
- 8 ADRA Country Offices 🧩
- 1 IAD Office 🚫



**Funding
Environment/Entorno
de Financiamiento**

Definition of Funding Environment – SDA Church in IAD

It's a compendium of organizational, cultural and spiritual values, in a Local Field and/or District, in a given period, that will powerfully impact the member's attitude of generosity and his commitment to support the mission

Definición de Entorno de Financiamiento - Iglesia ASD en la DIA

Es un compendio de valores organizacionales, culturales y espirituales, en un campo local y / o distrito, en un período dado, que impactará poderosamente la actitud de generosidad del miembro y su compromiso de apoyar la misión.

Tough Times IMPACT the Funding Environment



The Financing Environment
produces the revenue to
finance the operation and
development of church
entities

El Entorno Financiero
produce los ingresos para
financiar la operación y el
desarrollo de las entidades
de la iglesia.

Guiding Principle

that addresses the financial administration of church entities

6T 209.2

As individuals and as managers of the Lord's institutions we shall necessarily have to cut away everything intended for display and bring our expenses within the narrow compass of our income

The work culture that defines the EGW declaration allows Church entities to cross financial crises with greater protection.

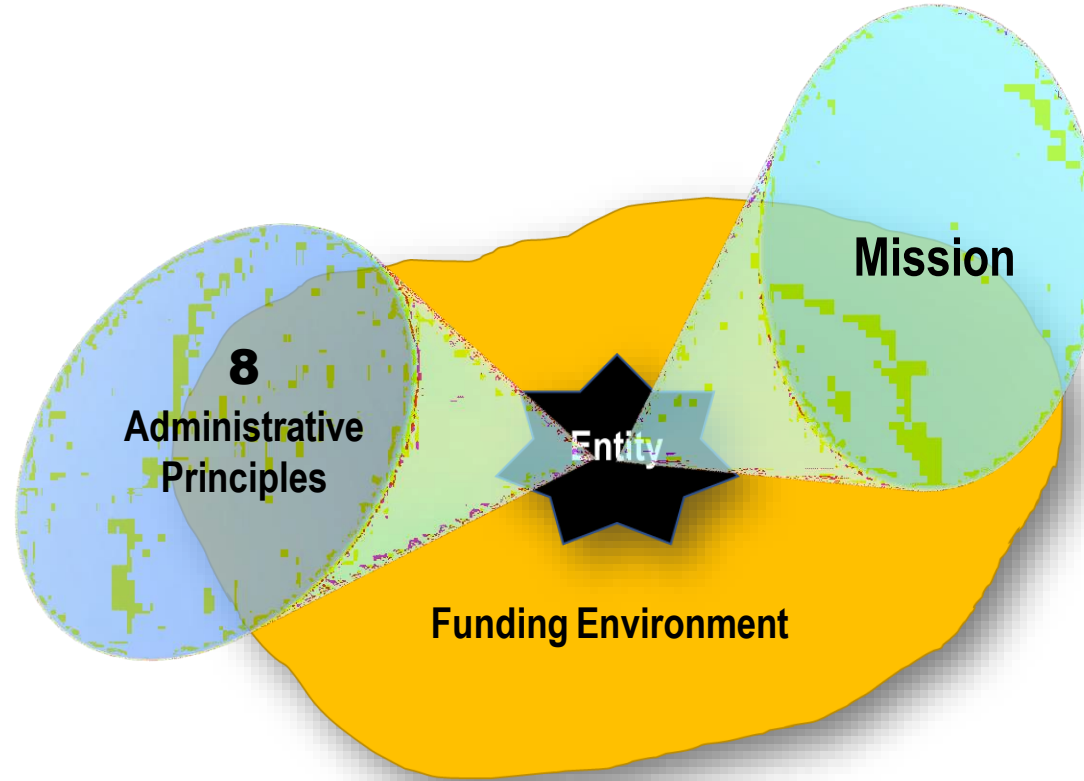
Principio guiador

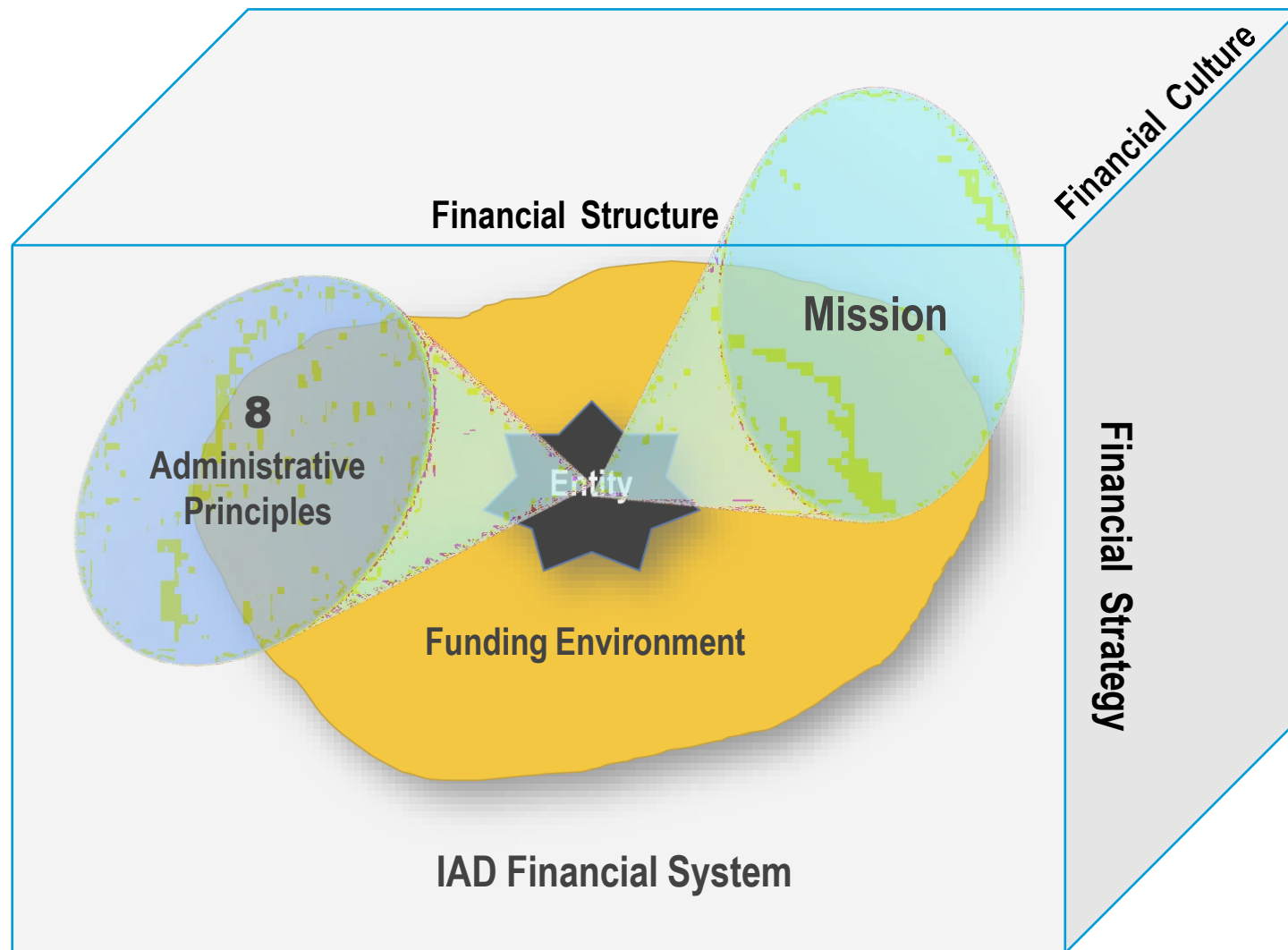
que aborda la administración financiera de las entidades eclesióásticas

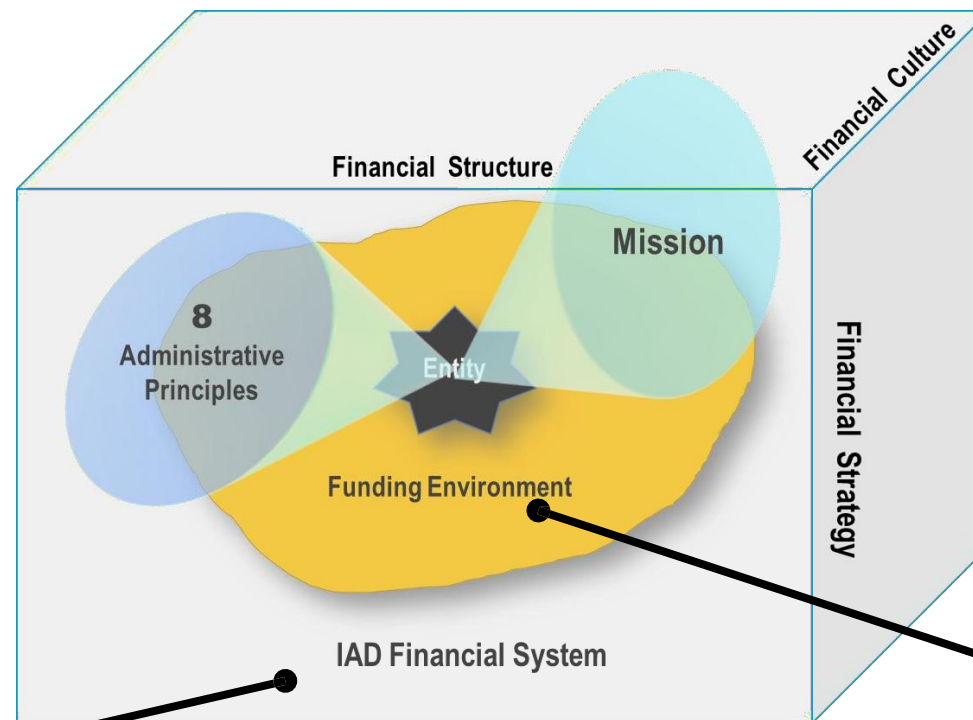
6T 209.2

Como **individuos y como administradores** de las instituciones del Señor,
necesariamente tendremos que cortar todo lo que se pretende exhibir y traer
nuestro gastos dentro del estrecho compás de nuestros ingresos

**La cultura laboral que define la declaración EGW permite a las
entidades de la Iglesia atravesar crisis financieras con mayor
protección.**







Set the parameters for the protection of entities with the object that they fulfill their mission.

Assessing the efficiency and effectiveness of an entity's financial administration requires looking at the potential to meet the mission, in the short and long term

Establezca los parámetros para la protección de las entidades con el objetivo de que cumplan su misión.

Evaluar la eficiencia y la eficacia de la administración financiera de una entidad requiere analizar el potencial para cumplir la misión, a corto y largo plazo.

Affected by COVID 19
awakens us to new realities in organizational operation, especially as it relates to financial income and expenditure. As we envision the reality of income reduction, this presentation focuses on principles of prioritization in organizational expenditure

Afectado por COVID 19

nos despierta a nuevas realidades en la operación organizacional, especialmente en lo que se refiere a los ingresos y gastos financieros. A medida que imaginamos la realidad de la reducción de ingresos, esta presentación se centra en los principios de priorización en el gasto organizacional.



Guiding principles

6T 2092

As individuals and as managers of the Lord's institutions we shall necessarily have to cut away everything intended for display and bring our expenses within the narrow compass of our income

8 Administrative Principles

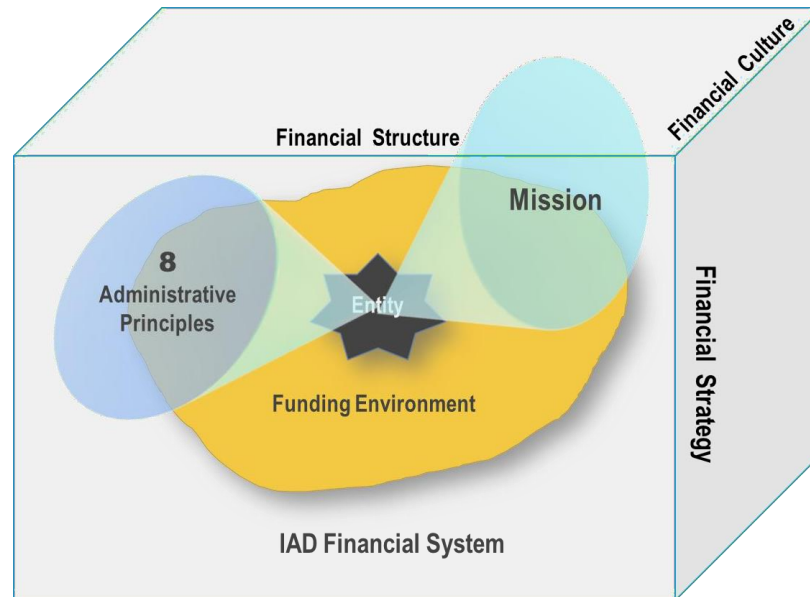
Ordering the administration of organizations in the Church to face challenges in times of crisis

Principios guiadores

Como individuos y como administradores de las instituciones del Señor, necesariamente tendremos que cortar todo lo que se pretende exhibir y traer nuestro gastos dentro del estrecho compás de nuestros ingresos

8 Principios Administrativos

Ordenar la administración de organizaciones en la Iglesia para enfrentar desafíos en tiempos de crisis



The IAD WORKING POLICY

Define the fundamental principles for the operation of Church entities, both for calm and turbulence times

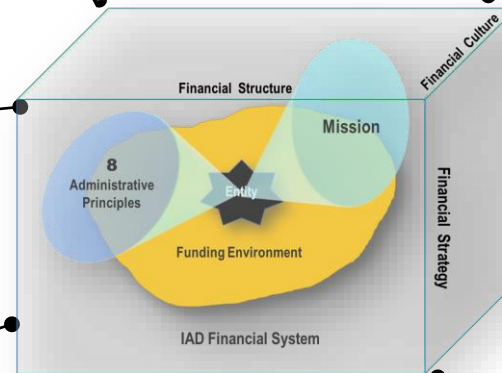
1.- Principle of operation of the Entity under a leadership that supports its administration in a wide communication, both vertical and horizontal, and under guidelines of integrity, transparency and accountability. **0 03 05**

2 - Principle of team management that guides decisions responsibly, always under the supervision and guidance of the Board of Directors. **0 03 20**

8 - Principle of management of the entity with the implications of overseeing dependent organizations and under which their financing environments impact their financial operation. **0 34 10**

7 - Principle of management of the entity under the direction and supervision of its board of directors and-or its higher organization.
0 28 15

6 - Principle of management of the entity under indicators that show the performance of the financial operation in a healthy way.
0 21 05

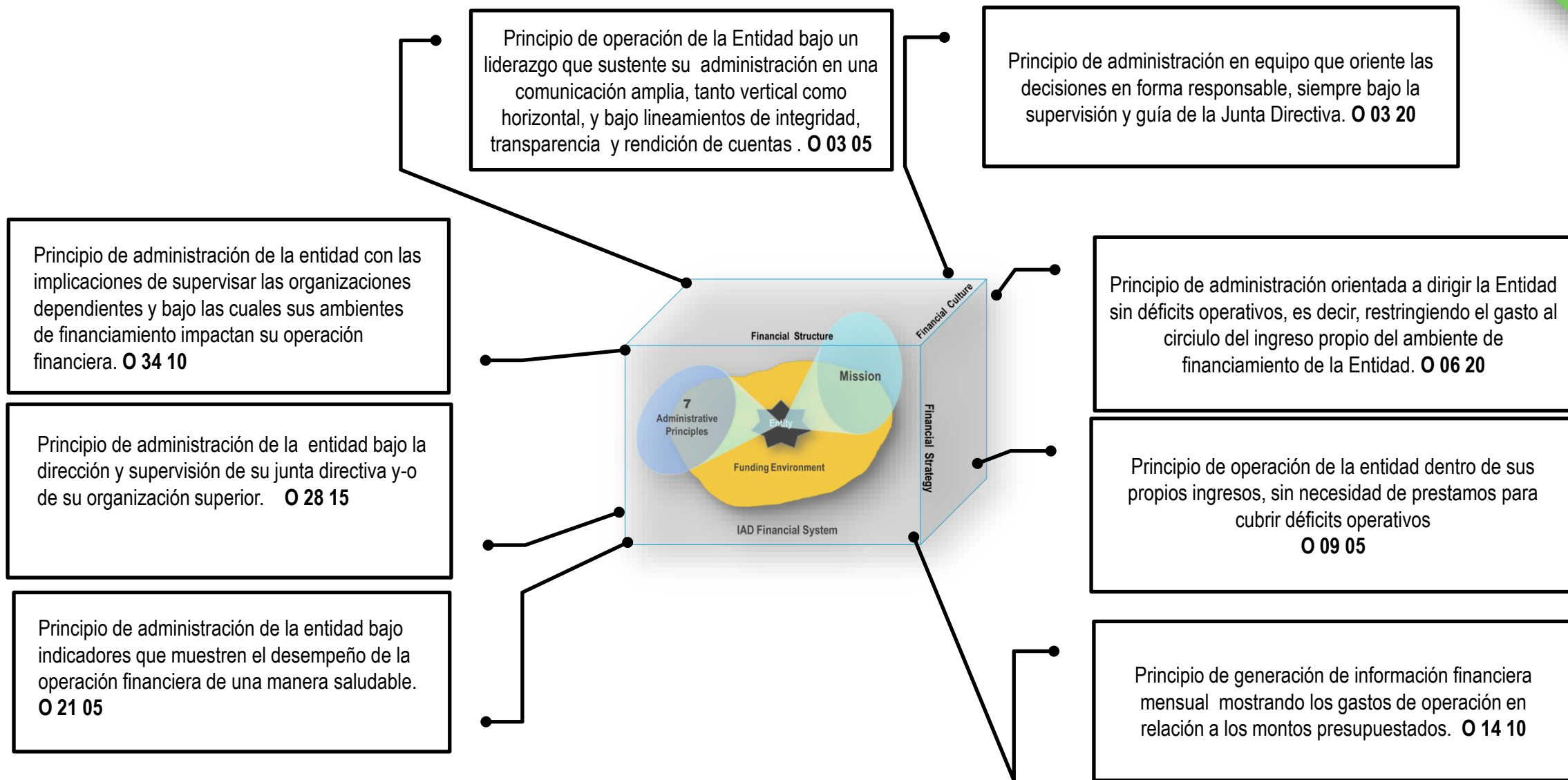


3 -Principle of administration aimed at directing the Entity without operational deficits, that is, restricting the expenditure to the narrow of own income of the financing environment of the Entity.
0 06 20

4 - Principle of operation of the entity within its own income, without the need to lend to cover operating deficits
0 09 05

5 -Principle of generation of monthly financial information showing operating expenses in relation to budgeted amounts. **0 14 10**





Principles

**to consider for the operation of Church entities in times of
financial turbulence**

1. Don't make things worse by doing nothing
2. Deal with facts no fiction.
3. Always cement your relationships with your existing customers y/o Church Members
4. Take advantage of the TOUGH TIMES to rethink the way you are doing business
5. Be carefully how you are spending your time and efforts
6. Be prepared to tray new ways to do the business
7. Invest in your business
8. Find someone to mentor you through the challenging times
9. Learn from the experience
10. Protect the source of your cash
11. Focus in core competencies
12. Make the most of current church members

Principios

a considerar para el funcionamiento de las entidades de la Iglesia en tiempos
de **turbulencia financiera**

1. No empeores las cosas al no hacer nada
2. Tratar con hechos, sin ficción.
3. Siempre cimente sus relaciones con sus clientes y/o miembros de la Iglesia
4. Aproveche los TIEMPOS DIFÍCILES para repetir la forma en que hace negocios
5. Tenga cuidado de cómo invierte su tiempo y esfuerzos
6. Esté preparado para presentar nuevas formas de hacer negocios.
7. Invierta en su negocio
8. Encuentre a alguien que lo guíe en los tiempos difíciles
9. Aprenda de la experiencia
10. Proteja la fuente de su efectivo
11. Concéntrese en las competencias básicas
12. Aproveche al máximo los actuales miembros de la iglesia.

Guidelines to follow as Recommendations or Suggestions to be presented to your Board of Directors

**Prioritization in Organizational Expenditures during
new realities income Reduction**

**Pautas a seguir como recomendaciones o sugerencias a
ser presentadas a su Junta Directiva**

**Priorización en gastos de organización durante la reducción de
ingresos en las nuevas realidades**

Seventh-day
Adventist® Church

GENERAL CONFERENCE
INTER-AMERICAN DIVISION HEADQUARTERS

8100 SW 117 AVE.
MIAMI, FL. 33183-4827 USA
(305) 403-4700
mail@interamerica.org

April 8, 2020

**ALL ADMINISTRATORS OF THE UNIONS AND INSTITUTIONS
OF THE INTER-AMERICAN DIVISION**

Dear Administrators,

Greetings in the security of the Lord's company and protection.



Seventh-day Adventist® Church

GENERAL CONFERENCE
INTER-AMERICAN DIVISION HEADQUARTERS

8100 SW 117 AVE.
MIAMI, FL. 33183-4827 USA
(305) 403-4700
mail@interamerica.org

8 de abril de 2020

A TODOS LOS ADMINISTRADORES DE LAS UNIONES E INSTITUCIONES DE LA DIVISIÓN INTERAMERICANA

Apreciados Administradores:

Saludos en la seguridad de la compañía y protección del Señor.



1. Maintain a permanent prayer chain, asking the Lord to protect His church.

1. Mantener una cadena de oración permanente pidiendo la protección del Señor para su iglesia.



2. Emphasize reinforcing of the spiritual environment among the members.

2. Enfatizar en reforzar el ambiente espiritual hacia los miembros de iglesia.



3. The lack of opportunity for members to attend church services or small groups, makes it necessary to use electronic means to remain in contact with the membership, thus offering them an opportunity to worship.

3. La falta de oportunidad de congregarnos en los templos e incluso en los grupos pequeños, hace necesario que se usen los medios electrónicos para estar en contacto con la feligresía y ofrecerles oportunidades de adoración de esta manera.



4. We understand that this situation affects the employment of most of our church members. This opens the opportunity for the formation of prayer chains to pray for these families.

4. Se entiende que la situación que se vive afectará el empleo de la mayoría de los miembros de iglesia. Esto abre la oportunidad para reforzar cadenas de oración para orar por estas familias



5. Promote gathering the tithes and offerings from house to house or according the most appropriate system that the local field and union define, including Online.

5. Promover la recolección de los diezmos y ofrendas de casa en casa, o de acuerdo al metodo mas apropiado que la Union y/o el Campo Local definan, incluyendo via online.



6. Determine the minimum necessary and indispensable cash needed by each entity in the territory both monthly and annually for their operations.

This opens the door for the operation of these entities not to be based on the regular budget voted by the committee, but on the amount of available cash in the working capital and on the amount of cash that can be collected.

6. Determinar el efectivo necesario, mínimo e indispensable que cada entidad del territorio necesita en forma mensual y anual para su operación.

Esto abre la puerta para que la operación de las entidades no sea en base a un presupuesto regular votado por las juntas, sino al nivel del efectivo disponible en los capitales de trabajo y en los niveles de efectivo que se pueda coleccionar.

7. Upon determination of the above, if greater adjustments need to be made to the minimum necessary and indispensable cash, then we must adjust the allowances offered to the employees, such as per diem, travel, car depreciation and other yearly allowances like utilities, etc.

7. Al definir lo anterior, si se hace necesario hacer ajustes todavía más profundos a los gastos mínimos, necesarios en indispensables, se habrá de ajustar beneficios que se ofrecen a los empleados como viáticos, ayudas de transporte, ayuda de auto, y otros conceptos de naturaleza anual que se ofrecen, como gastos públicos, etc.

8. If more drastic measures need to be taken, then the % of Salary may be affected, but rent and medical allowance must not be affected.

8. Si la medida es más severa, afectar un % del salario del empleado, manteniendo la ayuda de renta y gastos médicos.

9. If even more drastic measures must be taken, then the contributions to the Benefits Plan may be affected, whether by 100% or a lesser percentage. If this measure is adopted, we must be aware of the impact this would have on the liquidity of the Employees Benefits Plan. Define the difference as an account payable

9. Si la medida es más severa, afectar contribuciones al Plan de Beneficios, ya sea en un 100 % o en cualquier porcentaje menor. Si esta medida se adopta, tener en cuenta el impacto que se tendrá en la liquidez del Plan de Beneficios de los Empleados. Definir la diferencia como cuanta por pagar

10. The contributions of tithe percentages and/or Offerings to the higher organizations will be in according to the income collected. The option of not contributing to the higher organizations, whether totally or by a percentage, in other words, not sending the corresponding percentages in order to finance your operation, will be reflected in your accounts payable. The higher organization must be informed if this measure is taken.

10. Las contribuciones de la deducción de diezmos y/o ofrendas hacia las organizaciones superiores serán en la medida de los ingresos que se colectan. La opción de dejar de contribuir hacia las organizaciones superiores, es decir, ya sea en su totalidad o en un porcentaje, es decir, no enviar los porcentajes que correspondan, como una medida para financiar la operación, se habrá de reflejar la Cuenta por pagar que corresponda. Se deberá informar a la organización superior de la medida tomada.

11. A more severe measure would be to retire those employees who have met the conditions, that is, those who are oldest and have the most years of service. When applying this measure, the employee must be informed of this decisions and of the beginning date.

11. Una medida más severa será aplicar la jubilación al personal que ya cumpla las condiciones, es decir los de más edad y más años de servicio. Al aplicar esta medida, se informará a este personal de la medida a aplicar y en el tiempo que ocurrirá.

12.If an even more severe measure is needed, as in the case of the local fields, begin by downsizing the office staff, and cut general expenses and expenses that have to do with attending to the members in the district by the pastoral staff.

12.Si la medida es más severa, en los casos de campos locales, iniciar con el desempleo de personal en las oficinas, es decir, gastos indirectos y que permanezca la atención a la feligresía en los distritos por el personal pastoral.

13.If the measure is to be more severe, a process should be started to cut support personnel first and then pastoral personnel, at Union and Local Field level. In the case of schools, each Union may determine its case regarding dismissals.

13. Si la medida debe ser más severa se debe iniciar un proceso para recortar personal de apoyo primeramente y después personal pastoral, a nivel de Unión y de Campos Locales. En el caso de escuelas cada Unión podrá determinar su caso en cuanto a despidos.

14. Higher organizations, to the extent of their financial capacity, will provide additional appropriations for the operation, to their subsidiary organizations

14. Las organizaciones superiores, en la medida de su capacidad financiera, aportaran apropiaciones adicionales, a sus organizaciones subsidiarias





6T 209.2

As individuals and as managers of the Lord's institutions we shall necessarily have to cut away everything intended for display and bring our expenses within the narrow compass of our income

Como individuos y como administradores de las instituciones del Señor, necesariamente tendremos que cortar todo lo que se pretende exhibir y traer nuestro gastos dentro del estrecho compás de nuestros ingresos