

Total Number of Pages: 3

Suggested Title: Conference Pension Conflict of Interest Policies

Discipline ¶: 1508 and 639

General Church Budget Implications: None

Global Implications: None

Amend ¶1508 as follows; then move the amended paragraph in its entirety, deleting it from the ¶1500s, and inserting its content as new subparagraphs at the end of ¶639; renumber affected paragraphs and subparagraphs as necessary:

¶ 1508. *Policies Related to Conflict of Interest and Investment Management* – The following rules shall apply to the financial administration of annual conference pension and pension-related funds:

1. A member of the conference board of pensions connected or interested in any way with the securities, real estate, or other forms of investment sold to or purchased from such funds, or with an insurance program or a contract under consideration by the conference board of pensions, shall be ineligible to participate in the deliberation of the investment committee or of the conference board of pensions or to vote in connection therewith.
2. No officer or member of a conference agency handling such funds shall receive a personal commission, bonus, or remuneration, direct or indirect, in connection with the purchase or sale of any property, the loan of any money, the letting of any annuity or insurance contract, the making or acceptance of any assignment, pledge, or mortgage to secure the payment of any loan, or for the purchase or sale of any securities or other properties from or to that agency, or be eligible to obtain a loan in any amount from funds committed to the care of that agency. No investment shall be purchased from or sold to any member of the conference board of pensions or any member of the family of a member of the conference board of pensions.

3. To prevent development of any conflict of interest or preferential treatment and to preserve goodwill and confidence throughout the Church, no local church, Church-related institution, or organization thereof shall be eligible to obtain a loan in any amount from such funds.³⁸

4. The principle of diversification of investments shall be observed, with the ~~agency~~conference board of pensions encouraged to invest in institutions, companies, corporations, or funds that make a positive contribution toward the realization of the goals outlined in the Social Principles of our Church, however with primary consideration given to the soundness and safety of such investments.

~~5. Real property may hereafter be accepted as consideration for gift annuity agreements only with the stipulation that the annuity shall not exceed the net income from the property until such property shall have been liquidated. Upon liquidation, the annuity shall be paid upon the net proceeds at the established annuity rate.~~

~~6. An annual conference agency handling such funds shall not offer higher rates of annuity than those listed in the annuity schedule approved by the General Board of Pension and Health Benefits.~~

57. a) There shall be printed in the annual conference journal a list of the investments held by each agency handling such funds directly or indirectly under the control of the annual conference, or such list may be distributed directly to the members of the annual conference at their request.

b) The conference board of pensions shall require an annual audit of pension and pension-related funds setting forth the total asset value of such funds and the distribution of income from such funds from persons and organizations appointed or employed for the management of these funds.

68. The borrowing of money in any conference year by a conference corporation or organization to enable the conference board of pensions to meet the requirements of the pension and benefit programs shall be done only on authority of the conference granted by three-fourths vote of the members present and voting.

79. Depositories and Bonding – a) The conference board of pensions shall designate a bank or banks or other depository or depositories for deposit of the funds held by the board and may require a depository bond from such depository or depositories.

b) The board, through the conference council on finance and administration, shall provide a fidelity bond in suitable amount for all persons handling its funds.

Date: August 29, 2019

Identification of Petitioner: Barbara A. Boigegrain
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