

REPORT OF THE FINANCE AND STEWARDSHIP COMMITTEE TO THE 94TH INTERNATIONAL GENERAL ASSEMBLY

I. INTRODUCTION

A. *The Correlation between Spiritual Health and Finances*

In the 79th General Assembly in 1984, an Assembly decision was made regarding all levels of the church—general, state and local—to operate within a balanced budget. The Assembly action states the following (*Minutes page 133*):

“The study by the Ways and Means Committee in the past two years has revealed that certain economic indicators concerning our cash and expenditure flow needs attention. There is growing evidence that more and more of our churches are having financial difficulties which are in part due to over-extending themselves. No people can live beyond their means. Faith in God does not necessitate over-extension that leads to deficit spending, which threatens the very thing it is trying to build.

We therefore recommend that general, state and local churches operate within a balanced budget, said policy to become effective as of October 1986.”

During the same General Assembly in 1984, God called the church to repentance. An excerpt from the Questions and Subjects Committee report reads (*Minutes pages 126-127*):

“Although we feel that all the matters to which we have given attention during the course of our meetings this year are important, one matter, in the opinion of this Committee, eclipses them all.

It is a subject which the Holy Ghost brought very forcefully upon us in our first meeting of this Assembly year held in January. Its need finds expression in the second chapter of Joel: ‘Blow the trumpet in Zion, sanctify a fast, call a solemn assembly: Gather the people, sanctify the congregation, assemble the elders, gather the children, and those that suck the breasts: let the bridegroom go forth of his chamber, and the bride out of her closet. Let the priests, the ministers of the Lord, weep between the porch and the altar, and let them say, Spare thy people, O Lord, and give not thine heritage to reproach’ (vv. 15-17).

This Committee knows of no greater need to bring to this Assembly’s attention than the need for repentance—the need to fall on our faces before God, confessing that we have drifted in many ways from a vital relationship with the Holy Ghost, confessing a self-centeredness lacking in deep compassion for a world of people who are living now under the judgment of God to eternal damnation, rededicating ourselves to being the Church of God of the Bible. God’s message to the Church in this Assembly has been a call to repent, and we must not ignore His voice. We cannot afford to continue the pursuit of our mission without convincing evidence of His presence and approval. There is no acceptable substitute for repentance when that is what God is calling us to do.”

We are now gathered in this 94th General Assembly twenty-two years after that strong call to repentance. This committee would like to echo the statement made by the Questions and Subjects Committee in 1984, **“We cannot afford to continue the pursuit of our mission without convincing evidence of His presence and approval.”**

As Abraham experienced, God provides resources to perform His will. Conversely, God does *not* obligate Himself to provide resources to fulfill man’s agenda. Therefore, if we find ourselves with financial challenges, the examination process must include the question, “Are we operating from a position of self-centeredness or God-centeredness? Jesus said in John 5:19 NIV, “I tell you the truth, the Son can do nothing by himself; he can do only what he sees his Father doing, because whatever the Father does the Son also does.” Can we state this as the guiding principle of our daily actions?

What are some distinguishing characteristics of a God-centered person in contrast to a self-centered person? God-centered people crucify *self* in order to come under the authority of God. Just like with Noah’s life, embracing godly principles resulted in consistent behavior and actions.

In contrast, self-centered people see *themselves* as the authority; therefore, they have difficulty coming under any other authority, even God’s authority. This results in inconsistent behavior and situational ethics because they justify whatever action is needed at the time to accomplish their goals.

As we move from self-centeredness to God-centeredness, the spiritual health of individuals and the collective body increases. God’s vision comes into focus, which is then followed by God’s provision to perform His will. *His* provision is always adequate to meet the need.

II. INFORMATION SECTION

A. Where We Have Been—The Call to Repentance

1. Four years ago, the Finance and Stewardship Committee was once again greatly burdened by the need for God-centeredness regarding stewardship and finance. The committee was inspired by the Holy Spirit for a call to repentance. The following is a quote from the committee’s report to the 92nd General Assembly (*Minutes page 62*):

“We, the Finance and Stewardship Committee, taking responsibility and accountability for this organization’s stewardship, past and present, confess and acknowledge before God and the Assembly we have sinned (missed the mark), committed iniquity (allowed the fulfillment of self-will), not operated under the established governance (accountability), and have practiced and operated God-provided resources outside the principles and precepts of the Word of God. These actions indicated, according to Scripture, a spiritual condition of person(s) or organization that has departed from God.”

2. Two years ago, the Finance and Stewardship Committee stated to the 93rd General Assembly (Minutes page 95):

“We the Finance and Stewardship Committee, more than ever, feel the overwhelming conviction from the Holy Spirit that repentance is still needed by this corporate body.

Therefore, we, the Finance and Stewardship Committee, in light of events that have transpired since the 92nd General Assembly, did not think it wise for this Committee to bring recommendations to the 93rd General Assembly.”

B. Where We Have Been—Returning to Biblical Principles

1. During the 93rd General Assembly, the Administrative Committee made a renewed commitment to comply with the General Assembly balanced budget decision.
2. A Budget & Investment Board was formed between the 92nd and 93rd General Assemblies. The group’s purpose was to review, counsel, and give final approval regarding the International Office Ministries’ master budget, and to review, counsel, and make recommendations regarding the International Office Ministries’ investment portfolio.
3. The Budget and Investment Group made an official report to the 93rd General Assembly.
4. Also during the 93rd General Assembly a commitment was made by the Administrative Committee and the Budget & Investment Board for the following:
 - Monitor spending to ensure adherence to submitted budgets.
 - Conduct quarterly formal budget review meetings with the Administrative Committee and budget managers.
 - Ensure business transactions are compliant with laws of the land and Assembly guidelines.
 - Restructure of White Wing Publishing House.
 - Pay delinquent debts.
 - Oversee all investment decisions/transactions.
 - Establish targets and timelines for rebuilding reserves.
 - Assess church assets for maintenance and upkeep recommendations.
 - Seek different service provider for annual audits.
 - Review and implement changes in structure, operations, policies and procedures for the purpose of maximizing efficiency and effectiveness.

C. *Where We Have Been—Progress Made As We Have Emphasized Returning to Biblical Principles*

Progress toward commitments made in the 93rd General Assembly was reflected in reports to church leadership for fiscal years 2004-2006 as follows:

- Budget review meetings were conducted with each budget manager starting in September 2004 with ongoing meetings as needed.
- The International Offices' operating budget ended the 2004/2005 fiscal year in a favorable position by \$205,162. Fiscal year 2005/2006 results will be reported at the 2006 General Assembly.
- All delinquent debts for the White Wing Publishing House were paid in full (\$250,000). In addition, other debt was paid which consisted of a bank loan of \$450,000 and a line of credit for \$300,000.
- In following through with the leadership decision to outsource printing that was being produced by the White Wing printing presses, significant savings has been realized. Printing presses are still in operation in several locations outside the United States.
- The White Wing Publishing House was restructured and merged into the International Offices as of December 31, 2004.
- The Administrative Committee and the Budget and Investment Advisory Group work together regarding all investment decisions and transactions.
- A different auditing firm, Capin Crouse LLP, was engaged to conduct audits, starting with fiscal year 2004/2005. Capin Crouse is a highly respected firm serving over 500 not-for-profit organizations including Focus on the Family, The Navigators, Trans World Radio International, Walk Thru the Bible Ministries, Wesleyan Church International, Willow Creek Community Church and Wycliffe Bible Translators.
- A plan was established for rebuilding investment reserves.
- Ongoing reviews and process audits are being conducted to improve efficiency and effectiveness in operations.
- Purchase of software which allowed the consolidation of numerous databases. This software is significantly improving reporting to every level of the church.
- A chart of accounts conversion in December 2005 to strengthen compliance with financial accounting standards.
- The Financial Services Department was restructured to accommodate centralized receipts. Workflow was restructured to improve internal processes and separation of duties in compliance with auditing standards.
- An Audit Advisory Group and an Organizational Effectiveness Team were named in February 2006.
- A global financial presentation was given to inform leadership about the global economy of the church.

D. *Where We Are Now*

1. Starting with fiscal year 2006/2007 all funds were included in the formal budgeting process.
2. A plan is underway to consolidate the accounting processes of the global economy of the church.

While these actions are evidence of a return to biblical principles, God has strongly impressed upon this committee that He is still calling the corporate body to examine ourselves further.

III. *AFFIRMATION SECTION*

A. *Balanced Budgets*

We, the Finance and Stewardship Committee, recognize the need to reaffirm in this General Assembly the balanced budget decision made in the 79th General Assembly in 1984 stated as follows *Minutes page 133*):

“The study by the Ways and Means Committee in the past two years has revealed that certain economic indicators concerning our cash and expenditure flow needs attention. There is growing evidence that more and more of our churches are having financial difficulties which are in part due to over-extending themselves. No people can live beyond their means. Faith in God does not necessitate over-extension that leads to deficit spending, which threatens the very thing it is trying to build.

We therefore recommend that general, state and local churches operate within a balanced budget, said policy to become effective as of October 1986.”

Proverbs 3:21-23, “My son, preserve sound judgment and discernment, do not let them out of your sight; they will be life for you, an ornament to grace your neck. Then you will go on your way in safety, and your foot will not stumble.”

Proverbs 11:3, “The integrity of the upright guides them, but the unfaithful are destroyed by their duplicity.”

B. *Consolidation of the Two Financial Systems*

After consultation with the Administrative Committee, we, the Finance and Stewardship Committee, affirm the actions to consolidate the two financial administrations—domestic and international—that have traditionally operated within the global church.

Having a consolidated global financial structure that aligns with the global mission increases the effectiveness and efficiency of the body.

IV. CONCLUSION

The U.S. National Aeronautics and Space Administration did not leave it up to the astronauts to steer their aircraft, because a quarter of a million miles from Earth, if they err in their calculation by a fraction of an inch, they could miss the target by hundreds of miles. Therefore, the U.S. Apollo spaceships had an electronic device called an Internal Guidance System that steered the aircraft toward its destination.

The church must be completely dependent upon the Bible—God’s Word—and the Spirit of God, who is our guide and teacher, to be our internal guidance system who will lead us to the God-ordained destiny of the church.

Because of the complexity of the day in which we live, addressing change isn’t as easy as following a list of action steps. It is about experiencing God.

Once again this committee was visited by the Holy Spirit during our sessions in September 2005 and February 2006. The message that God is still impressing strongly upon us is that the financial challenges we are facing are only symptoms. The real need is spiritual. We need God. We need His favor. We need His blessing.

The *spiritual health* of the church will determine whether we are self-centered or God-centered. To be God-centered requires church leadership to focus on the spiritual health of the church body so we can discover and experience the leadership of the Holy Spirit in all of the church’s ministries and actions.

For a few moments let us reflect on the lives of God’s people, Israel, and the early Christians: what it was like to sense God’s presence in the freedom march from Egyptian bondage, or walking behind the Ark of the Covenant as it led the armies of Israel into Holy War, or visiting the cities of Europe and Asia Minor with the Apostle Paul.

These were *real* people just as we are today and those were *real* events they experienced. We have the advantage of reading in Scripture the decisions they made at each juncture and the results of those decisions.

Israel understood history differently than did their neighbors because in each event they saw the hand of God at work. The Exodus may have been viewed by the Egyptians as nothing more than the escape of a band of slaves, but the community of faith saw it as a mighty act of God, an unmistakable sign of the election of people as the instrument through whom all nations of the earth would be blessed.

The writer of Hebrews gives us insight into *our* part of this journey. Hebrews 11:40 NKJV states, “God having provided some better thing for us, that they should not be made perfect apart from us.” Today, as the world is moving at unprecedented speed toward its appointment with destiny, we find ourselves as *real* people experiencing *real* events. We are now the ones standing in the **valley of decision** (Joel 3:14) *gazing* at the greater things of God.

If we choose to move forward, it means we have made a commitment to lay down individual agendas and to become **unified in God’s purpose**. It means we are cleansing ourselves of all selfish motives allowing our actions to be fueled by the *love of God*. It means we are pledging to mature from a state of self-centeredness to a state of God-centeredness. It means we are aligning our message and actions with those of Christ, the Head of the church.

How will history record our decision?

It is the prayer of this committee in this General Assembly today, that we will allow God's Spirit to grip our hearts. Metamorphosis is the scientific name for a change of an ungainly, crawling caterpillar into a delicate, flying butterfly. It is from a Greek word meaning "transformed." May we be transformed today by the power of God's Spirit so we can become all Christ has purposed for us to become.

Respectfully submitted,

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