

# CHURCH OF GOD

*a Worldwide Association, Inc.*

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Dear Brethren of the Household of God,

We seldom begin a letter addressing you as the “household of God,” but it is certainly a meaningful biblical expression for conveying a very important principle of godliness (Ephesians 2:19). Paul also referred to the Church as the “household of faith” (Galatians 6:10). In light of this “household” concept, we are writing to you today as the Church of God, a Worldwide Association, takes some important organizational steps forward.

As members of the household of God, each and every one of us has a huge stake in the well-being and functioning of our Church family. Many of you have been asking questions and share our concerns about how we are going to function in terms of finances—how are we going to use our resources to proclaim the good news of the coming Kingdom of God and how are we going to take care of God’s people around the world?

Let’s face it, while we are first and foremost a spiritual body, the Church household is no different than your personal household in that it also requires physical resources and sound management to function effectively. So in this letter we want to bring everyone in the family “into the loop,” answer those questions, fill you in on our current situation, and let you know what we are thinking and planning.

Let’s start first with establishing foundational biblical principles. We know that we are God’s spiritual children, and He clearly wants us to view ourselves as a family, His Church as a household. Throughout history, the family household has always been the most fundamental unit of social organization. As Paul said in Romans 12, we are members one of another, bound together in Jesus Christ. One of the greatest social principles instilled by living in a household is the strength of sharing. Family members sharing their resources and providing for each other’s needs strengthens the greater community. It is simply a fundamental expression of love for others and love for God.

As it relates to the Church family, the concept of sharing is one of the identifying marks of the people of God. In Acts 2:42 Luke records that the Church “continued steadfastly in the apostles’ doctrine and fellowship, in the breaking of bread, and in prayers.” The word “fellowship” is from the Greek word *koinonia*, generally taken to mean goodwill toward other members of the group. However, fellowship in the sense of just socializing with each other does not capture the full meaning of *koinonia*—it means sharing to meet the needs of others.

Consider Acts 2:42-47. We read that those who believed “had all things in common, and sold their possessions and goods, and divided them among all, as anyone had need.” The New American Standard Bible says they “were sharing.” This remarkable attitude continued. As Luke later notes, “the multitude of those who believed were of one heart and one soul; neither did anyone say that any of the things he possessed was his own, but they had all things in common” (Acts 4:32). God’s people are to be one in all ways, sharing not only our physical possessions, but in “one heart and one soul” having “in common” our prayers, hopes, joys, trials, dangers, blessings and struggles.

The Greek word for “household”—*oikos*—is also instructive. From that comes other words such as *oikonomia*, which means “household management” or “stewardship,” as it is often translated in Scripture, and *oikonomos*, which means “steward,” or “manager of a household or estate.” A steward was to hold, protect, manage and use the resources for the purposes defined by the owner. To this day the family household also functions in society as an important economic unit, and everyone in the family should learn and bear some degree of accountability for responsible stewardship.

Stewardship is a very important principle in the Bible. Yes, God owns everything, but He has given to each of us resources ranging from talents to money. He also blesses us with abilities to increase His gifts. The stewardship principles in His Word teach us to develop both effectiveness (doing the right thing) and efficiency (doing things right).

When it comes to the resources for His Church, then, we have a shared responsibility to be involved in the work Christ commissioned for His people. We all contribute to serving and supporting the work in several broad areas:

- Proclaiming the gospel to the whole world.
- Making disciples as God the Father calls them.
- Teaching those disciples.
- Caring for the disciples.
- Doing good to all, and especially to those of the household of faith.

As we begin anew, we are committed to preaching the gospel to the world and caring for everyone God calls. This can only be done through the sharing of financial resources. While each member is individually accountable to God for managing what He has given to us, as a church organization some of us have the fiduciary responsibility toward God and one another to properly collect, protect, spend and account for our financial resources, both at the local and national levels.

We want to assure you that those of us responsible for managing the assets of the Church are committed to responsible, and accountable, financial stewardship from the smallest amounts to the largest. We will always implement internal controls and separation of duties that are recognized as best practices by the accounting profession.

Now we are at a time when, as a household, we need to agree upon the general financial guidelines by which we will operate. In our start-up phase some church areas have already been collecting tithes and offerings while others have not. Whether we are looking at local congregations or entire regions of the world, some areas have plenty while others have little, so we quickly find ourselves having to determine what is the most efficient and effective stewardship. While there is nothing wrong with collecting funds locally, decades of experience has taught us that having a centralized method for receiving and disbursing the majority of the tithes and offerings is by far the most equitable and effective means for fulfilling our commission to preach the gospel and care for the brethren. Many things can be handled only from a central source, such as proclaiming the gospel, international subsidies, festivals, camps, educational programs, employees, communications, etc.

Following this letter is a proposal outlining our recommendations for financial management. It allows, as we have for the last 15 years, for both central and local collections of tithes and offerings. Some local congregations have already collected a considerable amount of money, which is

understandable since we have had a central post office box for only three weeks. However, in order to move forward with making plans to hire employees to be able to preach the gospel and care for the congregations, we need to be able to accurately gauge the income that will be received centrally.

With this in mind, we ask that you carefully read the attached proposal and, as congregations with your pastors, discuss this plan. Ultimately, of course, it is your decision as to where you choose to send your tithes and offerings, but we hope and pray that everyone will understand the balance between local and centralized needs and the need to share resources accordingly. We believe this proposal strikes a good balance in that respect and that all of us pulling together in this way is by far the most effective way to manage our resources and move forward.

We wish we did not have to deal with these physical concerns, but it is a reality of life and part of responsible stewardship. We all know very well that only through God's mercy and help can we be successful in preaching the gospel and caring for His children, but His people continually demonstrate a deep desire to fulfill those goals. We are also confident that when "the household of God" is established on the firm foundation of fellowship of heart and sharing of resources, God will truly bless our efforts.

Thank you for taking the time to consider what we have written. In our human weaknesses, we all sometimes make mistakes in judgment and behavior; but in God's strength, we are striving to do things right and in a manner pleasing to Him. Thank you for your commitment, the ideas you've shared, your encouragement, your service and your sacrifice. None of that is taken for granted, and it is deeply appreciated.

Until next time, may God be with you,

The Interim Governance Team and Board of Directors

  
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**Financial Procedures  
for the  
Church of God, a Worldwide Association**

**Collection and Disbursement  
of  
Financial Resources  
During the Interim Start-Up Phase**

**Submitted by the  
Interim Leadership Team and Board of Directors  
January 2011**

## **Introduction**

Paul's use of the body metaphor to describe the Church inspires a mental image of a coordinated, graceful athlete in motion. Every muscle, nerve, joint and sinew must work in perfect complement to produce the best result. Every part is needed; each is respected and appreciated.

The principle of coordination and connection applies not only to every individual Church member, but to our combined efforts to do the work of the Church, locally and nationally. As we move from our formative stage, we will learn how best to work together. Some financial responsibilities can be administered more efficiently centrally, some locally. Achieving balance will be an ongoing process.

## **Following the Laws of the Land**

Paul taught early Christians to obey the civil authorities and pay taxes (Romans 13). The U.S. laws and regulations governing exempt organizations such as ours are voluminous, and some are complex. It is our intent to always, to the best of our ability, follow the laws of the land (unless they are in opposition to God's law, which comes first). This requires a certain level of expertise.

For example, interpreting and applying Internal Revenue Code rules and regulations properly will require constant communication between local congregations and the central office. Consistent compliance will require developing certain policies and procedures that must be followed at all levels.

## **Principles for Start-Up Considerations**

Our goal is to begin providing Church subsidies to cover local congregational costs sometime after the Days of Unleavened Bread, if at all possible. For the intervening three months, it is important for congregations to cover their costs out of local funds. But once these needs are met, what happens to monies collected above and beyond the local needs? We are requesting that excess funds beyond a reasonable reserve be sent to the central office.

The Church of God, a Worldwide Association, is in a start-up phase, although certain considerations required at the birth of an organization will change as it matures. The immediate critical success factors are:

1. Prepare forecasts, budgets and plans.
2. Pay for required local congregational needs, such as halls, supplies and sound systems.
3. Provide financial assistance for needy members and retirees.
4. Provide an employed pastor for every congregation.

But we need to be extremely frugal. Spending decisions should always be made with care, and in the start-up phase expenditures must be made only for what is absolutely necessary.

As we stabilize and can forecast income with greater confidence, the next steps will include finalizing long-term governance, selecting leaders and administrators, developing strategies for doing the work of the Church including spreading the gospel, and allocating resources based on those decisions.

Barely a month into its organization, the Church of God, a Worldwide Association, has funds both in a central account and (of unknown amounts) in many local church accounts. This makes it impossible to forecast, budget and allocate responsibly.

Our first step is to decide how we are going to approach the initial critical success factors listed above. We suggest the following:

- Both the central office and each congregation should prepare a budget.
- Each local congregation should be responsible for paying for its immediate needs. If sufficient funds are not available locally, a subsidy will be sent from the central office.
- Providing financial assistance to either congregations or needy members should be primarily handled centrally, in coordination with the local pastor. Local congregations should keep enough money in reserves to handle unforeseen emergency needs.
- As funds permit, the hiring of pastors should be managed centrally and not attempted locally.

These matters require centralized forecasting, budgeting and planning that can only be accomplished with a coordinated pooling of resources. If individual congregations desire to continue collecting funds locally, the costs involved in the financial management of the local congregation should be considered. Costs not readily seen are those related to pastoral care and providing for those in need, including widows and retirees. Without some system of sharing resources, we may find that our widows and retirees will be without support. We believe this is unacceptable for the Church of God based on the scriptures that insist we care for these individuals. A laborer is worthy of his hire, and pure religion is to visit the fatherless and widows in their need (1 Timothy 5:18; James 1:27).

### **Local Start-Up Considerations**

Anyone should feel free to send their tithes and offerings to the local congregation, the central account or both. But they should make an informed decision. Following is a suggested plan of action for our interim, start-up period.

1. Each local pastorate (which may include two, three, four or even five congregations) should establish a local bank account. In some cases several congregations may choose to use one account because of the size of each congregation. Instructions were sent previously to pastors on how to properly do this.
2. Where local accounts exist, an advisory finance committee should be established, including a treasurer who will sign checks. The pastor should approve payments, but not sign checks.
3. The advisory finance committee should develop a budget for the next three months, through the Days of Unleavened Bread festival season.
4. In principle, especially during start-up, reserves should be kept at a level that is adequate to cover budgeted needs and include a contingency for unexpected expenses—no more, no less.
5. We are requesting that funds in excess of the reserve amount be sent to the central account. In cases where members contributed locally before a central office was established, the approval of the congregation should also be sought. It would be very helpful if this first payment were made as soon as possible.
6. The advisory finance committee should adopt financial policies and procedures to provide proper internal controls and reporting. Additional guidance will be provided soon.

As members understand the local policy and the rationale behind it, many may feel comfortable sending their tithes and offerings directly to the central account. The choice, however, is theirs.

These local policies and procedures are of vital importance. Why? Consider, for example:

- The Internal Revenue Service has specific rules concerning providing receipts for donations collected.
- Policies must be in place to accept donations that are restricted for a specific purpose.
- Proper internal controls require that those who open the mail and make deposits are not the same ones who do the accounting and receipt preparations.

The point is, we will have to work together in the coming days to ensure we have proper procedures in place based on God's principles and the laws of the land.

### **International Subsidies**

One very important question we must answer is how will we handle international subsidies? The Church always has felt the need to share resources from the United States with less fortunate areas of the world and areas where the member base is too small to provide adequate funding. Since our commission is to preach the gospel to the world, we must be willing to share our financial blessings.

Our goal is to begin paying international subsidies by the first of March, if at all possible. Those subsidies will be based on budgets submitted by each area outside the United States. Decisions will be made for each area based on needs and available funds. In order to institute such a system and maintain it in an equitable manner, we are asking that funds for international subsidies be sent to and distributed from the central office instead of locally.

### **Conclusion**

Based on our desire to preach the gospel to the world and to care for those whom God has called and will call, we are asking that all congregations consider carefully the principles laid out in this proposal.

Based on these principles we are requesting that everyone consider sending tithes and offerings (including Holy Day offerings) to a central location for accounting and distribution purposes. Budgets will be established for the Church based on the amount of income that is received in the central office. It is critically important for us to be able to establish a consistent flow of income in order to properly establish budgets for fulfilling the two major aspects of our commission. It will also be important for us to have an adequate flow of income to the central office before we can employ pastors for all our congregations.

Any congregation that chooses to collect funds locally must make sure they are in full compliance with IRS regulations. More information will be provided as time goes by. We are asking that salaries and business expenses for Church employees *not* be handled from local accounts. We are also asking that Holy Day offerings be sent to the central office (as has been our tradition) to make possible preaching the gospel and caring for those God has called.

We have a big job ahead of us in developing an infrastructure for fulfilling our commission. As we develop this infrastructure, we must not forget about those who will need financial assistance from the beginning. For example, there are widows and retirees who have little or no support except from the Church. We believe that Jesus Christ uses pastors and teachers in the process of “bringing many sons to glory” (Hebrews 2:10), as we all develop spiritually as the children of God. As we begin with a new organization, we must carefully consider how we do things and become even more efficient in allocating the resources that God provides.

We know that God will provide for our needs, but we must show ourselves to be good stewards of the funds that are sent to us. Our commitment is to be transparent with the expenditure of God’s tithes and offerings—accountable first and foremost to God, but also to those who have committed themselves to the success of the new organization.

If you have any questions during this transition period, please refer them to Richard Thompson, who will serve as the financial advisor for the Interim Leadership Team.