



# Community of Christ

CHRIST'S MISSION, OUR MISSION

## Financial Update: Frequently Asked Questions and Answers December 2019

**1. How did the church do at managing within the fiscal year 2019 Worldwide Mission Budget?**

Although income was below budget, expenses were managed to fit within available income.

The unaudited totals for fiscal year 2019:

<b>Fiscal Year 2019 Worldwide Mission Budget</b> (preliminary unaudited totals)	<b>BUDGET</b> (million USD)	<b>ACTUAL</b> (million USD)
Total Worldwide Mission Budget	17.2	16.3
Worldwide Mission Tithes Goal	14.7	13.5

**2. What's the progress toward the calendar-year 2019 goal of \$14.7 million (USD) for Worldwide Mission Tithes?**

As of 31 October 2019, Worldwide Mission Tithes were about \$9.7 million which is 15 percent below the calendar year 2019 goal of \$14.7 million (USD).

Giving Tuesday was 3 December this year. We had \$250,000 (USD) in matching funds. The church took advantage of those funds by giving \$325,000 (USD) for a total of \$575,000 (USD) contributed to Worldwide Mission Tithes.

Monthly updates are available at [www.CofChrist.org/contributions-update](http://www.CofChrist.org/contributions-update).

**3. Is the World Church's fiscal year changing?**

Yes. As approved by the World Church Finance Board, the World Church accounting cycle will move to a calendar year starting 1 January 2020.

**4. What is the Worldwide Mission Tithing goal for 2020, and what is the total Worldwide Mission Budget?**

The 2020 approved budget is based on a Worldwide Mission Tithing goal of \$12 million (USD). While the 2020 Worldwide Mission Budget supports a similar level of ministries and services to the church as in 2019, it provides significantly less support to Bridge of Hope at its approved level. Here is a comparison:

	Actual FY 2019 (million USD)	Budgeted CY 2020 (million USD)
Total Worldwide Mission Budget	16.3	14.8
Worldwide Mission Tithes Goal	13.5	12.0
Budget Contribution to Bridge of Hope	2.9	0.5

**5. Where do I find the 2020 Worldwide Mission Budget?**

[www.CofChrist.org/financial-updates](http://www.CofChrist.org/financial-updates)

At this location you will find the currently approved budgets, the most recent audit report, and several audit reports from previous years.

**6. What is the biggest risk in the 2020 Worldwide Mission Budget?**

The biggest risk is the church's ability to continue to support worldwide ministries by contributing at least \$12 million (USD) in Worldwide Mission Tithes. Based on current trends, the Presiding Bishopric and World Church Finance Board believe this is a reasonable level for 2020. The Presiding Bishopric also created a contingency fund with some of the fiscal year 2019 budget surplus in case tithing drops below \$12 million.

The Presiding Bishopric provided a detailed report about Worldwide Mission Tithes long-term trends to the 2019 World Conference. You can watch this presentation at

[www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2215/2019-world-conference-presiding-bishopric-report:-financial-reports-and-tithing](http://www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2215/2019-world-conference-presiding-bishopric-report:-financial-reports-and-tithing).

**7. What are the important factors from the analysis about contributions to Worldwide Mission tithes?**

There are five important factors:

1. Community of Christ contributors to Mission Tithes are very generous.
2. Regardless, contributions to Mission Tithes have been declining for more than 25 years.
3. The decline is based on the loss of contributors.

- In 2014, about 9,100 households in the USA supported Worldwide Mission Tithes, and 12,800 supported Local Mission Tithes.
  - In 2018, those numbers dropped to 7,600 households in the USA supporting Worldwide Mission Tithes and 10,700 supporting Local Mission Tithes.
4. Almost 80 percent of Worldwide Mission Tithes are given by those 60 and older.
  5. It takes over 10 years for new Mission Tithes contributors to become consistent and sustaining givers.

As World Church leaders evaluate all the trends, it is clear we must identify and pursue innovative ways to fund current and future mission. We hope those who generously support Local and Worldwide Mission Tithes will continue to provide support in the ways they prefer and grow their response as their capacity allows. At the same time, the church must explore ways to encourage generous response from those who have not connected with current methods of sharing Mission Tithes.

#### **8. What is the Bridge of Hope Project?**

The Bridge of Hope Project is the effort to strengthen the financial health of the worldwide church by funding the retirement responsibility first and then building the Temple, Worldwide Mission, and Canadian Mission endowments. Funds given to this project will be designated as Bridge of Hope Tithes. If contributions are received with a specific endowment designation, they will be counted as part of the Bridge of Hope Project, and the funds will be put in the appropriate endowment.

Watch the Presiding Bishopric's full presentation on the Bridge of Hope from the 2019 World Conference at [www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2222/2019-world-conference-presiding-bishopric-report:-bridge-of-hope](http://www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2222/2019-world-conference-presiding-bishopric-report:-bridge-of-hope).

Or watch the summary report at [www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2224/2019-world-conference-presiding-bishopric-report:-bridge-of-hope---summary](http://www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2224/2019-world-conference-presiding-bishopric-report:-bridge-of-hope---summary).

#### **9. What's the goal for the Bridge of Hope—Retirement Responsibility?**

To raise \$120 million (USD) by 1 January 2024.

#### **10. What's the goal for the Bridge of Hope—Grow Endowments?**

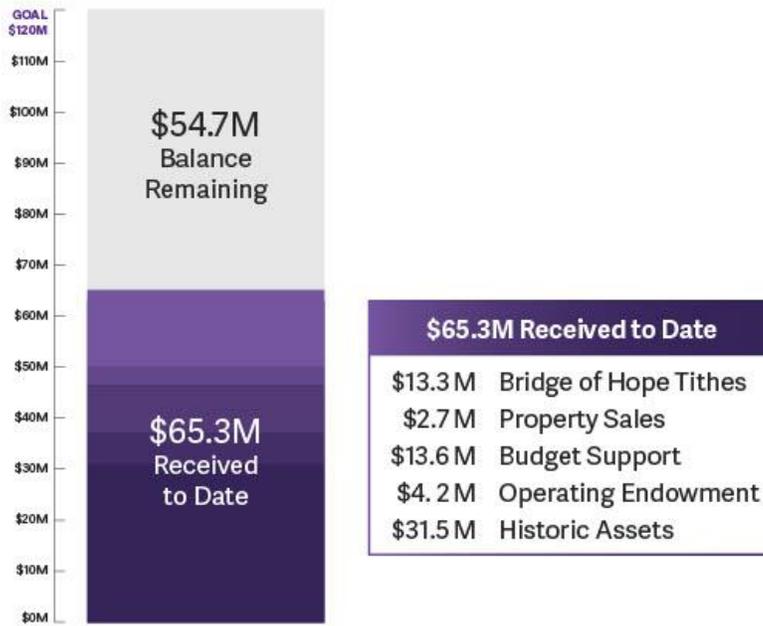
The goal announced in 2017 was to raise funds for the retirement responsibility first and then raise at least \$35 million (USD) and \$25 million (CAD) for the endowments.

11. What progress has been made toward the \$120 million (USD) goal to fund the retirement responsibility?

## BRIDGE OF HOPE RETIREMENT RESPONSIBILITY

As of 30 June 2019

GOAL: \$120M (USD) by 1 January 2024



As of 30 June 2019, the church had raised \$65.3 million (USD)—or 54 percent—toward meeting the \$120 million (USD) Bridge of Hope—Retirement Responsibility goal. The graph indicates the five sources contributing to this progress.

Biannual updates on Bridge of Hope—Retirement Responsibility goal progress can be found at [www.CofChrist.org/contributions-update](http://www.CofChrist.org/contributions-update).

### 12. What is a program property?

This is property originally bought to support the mission of the church through various programs. This includes most congregational buildings and campgrounds.

### 13. Will my congregation or campground be offered for sale without my knowledge?

No. We are inviting the church to explore how we faithfully respond to mission. As the church continues conversation about mission and what matters most, program properties that are used less for mission will be sold.

**14. Will all the net proceeds from program-property sales go to the Bridge of Hope Project?**

Not necessarily. The Use of Net Proceed Policy (1 July 2017), available at [www.CofChrist.org/common/cms/resources/Documents/Use-of-Net-Proceeds-Policy-052418.pdf](http://www.CofChrist.org/common/cms/resources/Documents/Use-of-Net-Proceeds-Policy-052418.pdf), describes the process. The final distribution of funds is based on conversations between the jurisdictional leaders, field support minister, field apostle, director of Field Ministries, and the Presiding Bishopric.

**15. What is the minimum balance established for the church's investment accounts?**

As trustees of the retirement responsibility, the Presiding Bishopric must ensure that sufficient funds are available to pay retirement benefits. As the church continues to raise funds to meet the \$120 million (USD) goal by 1 January 2024, the Presiding Bishopric has established a minimum balance required to be retained in church investment accounts. This is to protect the necessary funds to fully meet the goal.

Minimum balances for the Affiliate Investment Pool were communicated to account stewards in October 2019 via email. Minimum balances will be reviewed annually in April and decreased as progress is made toward the \$120 million (USD) goal.

You can watch the summary video explaining minimum balances at [www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2226/2019-world-conference-presiding-bishopric-report:-bridge-of-hope---minimum-balance-explanation](http://www.CofChrist.org/resources?tags=Financial-Update-April-2019#/2226/2019-world-conference-presiding-bishopric-report:-bridge-of-hope---minimum-balance-explanation). Minimum balances were calculated as a percentage of account balances as of 31 March 2019. However, it is the specific amount, and not the percentage, that now is being tracked.

**16. How does the minimum balance applied to church investment accounts affect account stewards?**

Account stewards cannot make withdrawals that would result in the balance going below the minimum balance. They can make withdrawals from the available balance. Account stewards will continue to earn interest on the total balance in their account.

For account stewards who are withdrawing only interest earned or are following the church's recommended 4-percent spending rate on investment accounts, the minimum-balance requirement should not affect account usage.

**17. What if our congregation, mission center, or campground has a major project planned, requiring funds that would put our investment account below the minimum balance?**

Contact your mission center officer(s). They will work with the field support minister or field bishop and field apostle to consider the circumstances and appropriate next steps. The field apostle also will consult with the director of Field Ministries and Presiding Bishopric.

**18. What if the church does not meet the \$120 million (USD) goal by 1 January 2024?**

The remaining balance required to meet the goal would be borrowed from the church's investment accounts as a 0-percent-interest loan.

The use of the words *borrow* and *loan* in this document is for the sole purpose of expressing the Presiding Bishopric's intent to temporarily reallocate church assets, held in investment accounts established by jurisdictions throughout the church, to address the church's retirement responsibility. As trustees over all church assets, including those in investment accounts established by jurisdictions throughout the church, the Presiding Bishopric has the legal authority and responsibility to use all assets to meet all financial obligations of the church, including the retirement responsibility. Using the words *borrow* and *loan* does not create any legal obligation regarding the future use and control of the funds.

**19. How much will the church need to borrow 1 January 2024 to fund the retirement responsibility fully?**

Hopefully, nothing! How much will depend on the church's success in raising the \$120 million (USD). As of 30 June 2019, the church had raised \$65.3 million (USD)—or 54 percent—toward meeting the retirement-responsibility goal.

**20. How will the church pay back the loan from investments if one is required, and how long will it take?**

The church has \$30 million (USD) in pledges to Bridge of Hope Tithes that are scheduled to be received beyond January 2024. These funds with undesignated bequests, historic-asset sales, and program-property sales will be used to repay the loan.

Because we do not now know the size of the loan, and we cannot predict the speed of receiving funds for repayment, it is difficult to predict how long it will take to repay the loan. Once the loan is paid off, any remaining funds received will be used to grow the endowments.

**21. What is the capital-pause process, and is it still being followed?**

The worldwide church's capital-pause process requires World Church approval to accomplish any capital project more than \$5,000 (USD). This process applies to all fields. It was announced by President Stephen M. Veazey in his "A Time to Act!" address in September 2017.

This pause is not short term. It will take several years to have the necessary missional and fiscal conversations throughout the church about the best way to use assets. The status of the pause is reviewed annually in September by the World Church Leadership Council, as it was this year. No changes were made to the process this year. In the future, changes will be announced during the financial update provided to the church following the December World Church Finance Board meeting.

The document describing the current process and how to request an exception is available at [www.CofChrist.org/common/cms/resources/Documents/legal/Capital-Projects-Pause-Process.pdf](http://www.CofChrist.org/common/cms/resources/Documents/legal/Capital-Projects-Pause-Process.pdf).

## **22. What other historic assets might be sold?**

The Presiding Bishopric is continuing to explore several potential sales of historic assets as well as program (non-investment) properties that are less essential for church mission. World Church leaders are faithfully considering all assets of the church and how we best respond to God's call to live Christ's mission. The following words of counsel shared by President Veazey in April 2019 continue to challenge us:

...Financial constraints are hindering the church from moving into the future at a pivotal and opportune time in history. These obstacles can be overcome through generosity, cooperation, and discernment about how the assets of the church can be directed to serve budget necessities and mission priorities...

As previously explained, the specifics related to potential historic-asset sales cannot be shared publicly. Details need to remain confidential to avoid adversely affecting potential negotiations. Information will be shared when it is appropriate without impacting the process. Assets will be sold only if a satisfactory price can be negotiated.

## **23. If the church achieves the \$120 million (USD) retirement-responsibility goal, will this take care of the retirement financial challenge forever?**

The retirement-responsibility goal is based on a calculation that *estimates* how much would need to be 1) spent between January 2019 through January 2024 and 2) invested in January 2024 to fulfill all benefits due in the future for about 1,000 people and families.

The Presiding Bishopric uses professional actuaries and best industry standards to determine this amount. The Presiding Bishopric hopes that achieving the \$120 million goal by 2024 will solve this financial challenge for future leaders. However, it remains possible that at some point additional funding would be required based on interest rates, life expectancies, and other variables that only can be estimated.

## **24. Should I give to Worldwide Mission Tithes or to Bridge of Hope Tithes?**

Members should prioritize their personal (individual and family) giving toward sharing equally between Local and Worldwide Mission Tithes. As stated previously, Worldwide Mission Tithes that meet or exceed the annual goal of \$12 million (USD) in calendar year 2020 are designated to Bridge of Hope.

Contributions to Local and Worldwide Mission Tithes are the heart of generous support by the church. Regular contributions to Local and Worldwide Mission Tithes by individuals, congregations, and jurisdictions provide financial strength and stability, allowing vital ministries and services to be sustained.

We—as individuals, families, congregations, and mission centers—sometimes are blessed with financial abundance that exceeds our needs or expectations. Such times may offer an opportunity to consider a direct gift to Bridge of Hope Tithes. Some individuals and families have made gift plans toward Bridge of Hope, and their generosity should continue to fulfill those commitments.

As the retirement responsibility is funded, contributions toward Bridge of Hope will be directed toward growing the church's endowments. The income earned by endowments will flow to the budget to support and sustain ministries.

## 25. How can I respond?

Here are some ways you can respond faithfully in the spirit of generosity and discipleship:

1. Prayerfully ponder your support of local and worldwide mission. How might you adjust investments in your time, talent, testimony, and treasure?
2. If you reside in the USA, transition to eTithing. Why? This saves your congregational financial officer data-entry work. More importantly, it ensures your support of Local and Worldwide Mission Tithes even when you are away from your congregation.
3. Form a group to study *Choosing Generosity*. Are you open to what happens when you immerse yourself in God's generosity and respond with your whole life? The text, available through [Herald House](#), includes discussion questions for individual and group reflection. It's a great Sunday school resource for older youth and adults.
4. Engage in the Generosity Cycle as a congregation. Did you miss this four-week opportunity to explore whole-life stewardship October 27–November 17? It's not too late. You can find suggestions for moving through the four phases at [www.CofChrist.org/generosity-cycle](http://www.CofChrist.org/generosity-cycle).
5. Consider individually and congregationally the opportunity to make a special year-end gift to Worldwide Mission Tithes.