

To Ensure Timely and Transparent Financial Reporting in the Synod

Whereas, A principle of Biblical stewardship is to be accountable with the resources with which one has been entrusted, as expressed in the Parable of the Talents (Matthew 25:14 ff.); and

Whereas, Much is required of those to whom God has entrusted his gifts. As Jesus said, “Everyone to whom much was given, of him much will be required, and from him to whom they entrusted much, they will demand the more” (Luke 12:48b, ESV); and

Whereas, The Scriptures teach “it is required of stewards that they be found faithful” (1 Corinthians 4:2, ESV); and

Whereas, The Synod has historically recognized its responsibility of accountability and faithfulness in the handling of the finances entrusted to it by its members, as is witnessed in Bylaw 1.5.4, “The Synod and each of its agencies shall fully disclose their financial books and records to any member congregation of the Synod;” and

Whereas, The Synod in previous conventions has expressed its opinion that such accountability and faithfulness be found additionally in regular reporting of such financial disclosure by adopting 2010 Convention Resolution 4-03, “**To Broadly Communicate the Statement of Financial Position of LCMS,**” which reads in its totality:

“Whereas, It is helpful to understand the Synod’s financial position and communicate it to the members of the congregations of Synod; therefore be it

Resolved, That each November, the Vice-President–Finance—Treasurer of the Synod use widely available means, (i.e., The Lutheran Witness, Reporter, the LCMS Website) to state the financial position of the Synod in a format easily understood by persons unfamiliar with financial terminology.” (2010 Convention Proceedings, p. 120); and

Whereas, The members of the Synod expressed even further the need for full transparency in all areas of financial disclosure by adopting 2016 convention **RESOLUTION 9-04A, “To Improve Disclosures Related to Financial Gifts from God’s Stewards for Special Appeals,”** which stated in part,

“...Whereas, Monies for special appeals requested by corporate Synod (e.g., following natural disasters) are reported only in part in Synod publications (e.g., Reporter and The Lutheran Witness) and sometimes only annually; and ...

Whereas, Donors and members of the Synod are interested in the impact of funds raised for special appeals and will appreciate improved disclosure of results; therefore be it

Resolved, That the financial offices of corporate Synod continue to recognize the desire of donors and members of the Synod to improve processes of reporting and work to provide clear, timely, and transparent accounting for all funding and special appeals, so

that the Body of Christ may experience the joy of Gospel-centered mission and ministry beyond the local context or community.” (2016 Convention Proceedings, p. 189); and

Whereas, It was reported to the 2013 Convention of the Synod by the Board of Directors in its **Report on the Disposition of Funding the Mission Recommendations (R6-03-01)** that “the decline in the Synod’s annual unrestricted revenue continues...The board believes that congregations will respond through better, open, and honest communication about the great things God is able to accomplish for His kingdom when we work together. Numerous conventions have passed resolutions calling on congregations to maintain and increase unrestricted support for district and Synod ministries, yet the unrestricted support passed through our districts to the Synod has continued to decline at the average rate of \$1 million each year.” (2013 Convention Workbook 2013, p. 114-115); and

Whereas, In 2016, the Chief Financial Officer of the Synod, in reporting to the Synod about offerings received, stated, “This sharing from God’s bounty continues to decline. Although the amount of decline in the past three years has not been as severe as the average decline of the previous 20 years, it is still trending negatively. In the face of continued declining unrestricted revenues, the ability of Synod, Inc. to respond quickly and nimbly to mission and ministry opportunities and challenges laid before us by our Lord also declines, as does our ability to “fill in the gap” when restricted revenues, needed to fund much of our mission and ministry activities, fall short of their goals. The financial challenges facing our beloved Synod persist. I believe that these challenges are of our own making, a product of how we distribute the resources provided by our loving Father.” (2016 Convention Workbook, pp. 61-62) (*Underlining added for emphasis*); and

Whereas, There have been few tangible reports about the financial struggles of the Synod, such as the need to trim \$4 million dollars from the budget of the Synod (ref. July 7, 2017 Reporter, <https://blogs.lcms.org/2017/international-national-mission> and the May 19-20, 2017 Synod Board of Directors Minutes <https://www.lcms.org/Document.fdoc?src=lcm&id=4769>), these reports are less than sufficient to keep the members of the Synod regularly informed about the financial condition of the Synod; and

Whereas, It has been widely reported, albeit not in the official channels of the Synod communications, that the Synod has only minimal days of operating capital in its cash reserves, which would seemingly place the synod in a precarious financial position (ref. Paragraph 45, Financial Reports of the February 17-18, 2017 LCMS Board of Directors Minutes <https://www.lcms.org/Document.fdoc?src=lcm&id=4659>), which stated that without funds held on behalf of the two Seminaries, Synod had only a 5 days of cash available); and

Whereas, In the face of such challenging financial times, transparency and regularity in reporting of the financial situation of the Synod is of utmost importance to the members and constituency of the Synod who have a vested interest in the financial viability of the Synod and who merit clear, concise, and timely reports; and

Whereas, The president of the synod recommended in his report to the Synod in 2016 that the synod have “Uniform Financial Reporting.” (**2016 Today’s Business, p. 28**); therefore be it

Resolved, That the Synod in convention direct the Chief Financial Officer to report quarterly in the Synod’s official publications about the financial position of the Synod in a format easily understood by persons unfamiliar with financial terminology, such reporting to include, but not limited to income and expenses, budget versus spending, cash reserves and cash position, etc.; and be it further

Resolved, That these quarterly reports include information about the regular Synod budget and the reporting on special appeals as stipulated in 2016 Resolution 9-04A; and be it further

Resolved, That the Synod be shrewd managers with the resources God has given it; and be it finally

Resolved, That the Synod give thanks to God for the resources He has entrusted to us, recognizing “That the earth is the Lord’s and the fullness thereof” (Psalm 24:1, ESV).