

1 To Ensure Timely and Transparent Financial Reporting in the Synod

2
3 WHEREAS, A principle of Biblical stewardship is to be accountable with the resources with
4 which one has been entrusted, as expressed in the Parable of the Talents
5 (Matthew 25:14 ff.); and

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

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

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

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

22 *“WHEREAS, It is helpful to understand the Synod’s financial position and*
23 *communicate it to the members of the congregations of Synod;*
24 *therefore be it*

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

31 and

32 WHEREAS, The members of the Synod expressed even further the need for full transparency
33 in all areas of financial disclosure by adopting 2016 convention **RESOLUTION 9-**
34 **04A, “To Improve Disclosures Related to Financial Gifts from God’s**
35 **Stewards for Special Appeals,**” which stated, in part,

36 *“...WHEREAS, Monies for special appeals requested by corporate Synod (e.g.,*
37 *following natural disasters) are reported only in part in Synod*

38 *publications (e.g., Reporter and The Lutheran Witness) and*
39 *sometimes only annually; and ...*

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

43 *Resolved, That the financial offices of corporate Synod continue to recognize*
44 *the desire of donors and members of the Synod to improve*
45 *processes of reporting and work to provide clear, timely, and*
46 *transparent accounting for all funding and special appeals, so that*
47 *the Body of Christ may experience the joy of Gospel-centered*
48 *mission and ministry beyond the local context or community.”*
49 *(2016 Convention Proceedings, p. 189);*

50 and

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

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

74 WHEREAS, There have been reports about the financial struggles of the Synod, such as the
75 need to trim \$4 million dollars from the budget of the Synod (ref. July 7, 2017
76 Reporter, <https://blogs.lcms.org/2017/international-national-mission>, and the May

77 19-20 2017 Synod Board of Directors Minutes,
78 <https://www.lcms.org/about/leadership/board-of-directors>); and

79 WHEREAS, It has been reported that the Synod has only minimal days of operating capital in
80 its cash reserves, which would seemingly place the Synod in a precarious
81 financial position (ref. Paragraph 45, Financial Reports of the February 17-18,
82 2017 LCMS Board of Directors Minutes,
83 <https://www.lcms.org/about/leadership/board-of-directors>), which stated that
84 without funds held on behalf of the two Seminaries, the Synod had only a 5 days
85 of cash available); and

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

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

94 *Resolved,* that it is the formal declaration of this assembly that *annual* reporting of the
95 synod’s financial position in the official publications of the Synod is insufficient;
96 and be it further

97 *Resolved,* That the Synod in convention direct the Chief Financial Officer to report *quarterly*
98 in the Synod’s official publications about the financial position of the Synod in a
99 format easily understood by persons unfamiliar with financial terminology, such
100 reporting to include, but not limited to income and expenses, budget versus
101 spending, explanations for variances in budget line items that vary by \$50,000 or
102 more, cash reserves and cash position, etc.; and be it further

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

106 *Resolved,* That the Synod be shrewd managers with the resources God has given it; and be
107 it further

108 *Resolved,* That the Synod give thanks to God for the resources He has entrusted to us,
109 recognizing “That the earth is the Lord’s and the fullness thereof” (Psalm 24:1,
110 ESV); and be it finally

111 *Resolved,* That this body memorialize the Synod in convention with this resolution.