

Divine Genius

Funding the Seventh-day Adventist Worldwide Movement

BY RANDY ROBINSON

Where does all that money go?" As a church employee for more than 40 years, 30-plus of which as a treasurer, I have heard that question more times than any other. It is a profoundly legitimate question, but one that is difficult to answer because of the complexity of our financial system. Mind you, that is no excuse for not providing a clear and understandable answer. Members deserve to know! My hope is that this article will help to demystify some of the complexity.

Tithe is the financial lifeblood of the Seventh-day Adventist Church. In 2022 the Seventh-day Adventist Church in North America (North American Division, or NAD) collected \$1.232 billion in tithe donations. That represents about 45 percent of the tithe collected by the worldwide Seventh-day Adventist Church during 2022.

The Adventist Church embraces the theology of tithing, and nearly 1.3 million members in the NAD demonstrate that by their generous giving. But let me make two points before continuing. First, there is no question that the theology of tithe is biblical. In many places in both the Old and New Testaments, that mandate is clear, most notably in Malachi 3, where God requires us to bring the tithe into the storehouse. While this and other texts hint at what the storehouse might be, it really is not specifically defined in Scripture. Which brings me to the second point: the Adventist Church defines the storehouse within its own structure as the local conference. That definition is not a theological requirement, nor is the subsequent flow of tithe through the organization. It is a polity decision we have simply agreed on collectively. That said, I also strongly believe that as Seventh-day Adventists, we should wholeheartedly embrace the process and participate in it fully. The concepts are rooted in Scripture, and the construct was established by the church with much

discussion and prayer and has served us well in providing a financial mechanism to support the mission of spreading the gospel around the world.

Now, let's go back to answering the original question by first defining church organizational structure.

Church Structure

During the second half of the nineteenth century, our Seventh-day Adventist Church pioneers struggled with how to create—and even if they should create—a defined organizational structure. After significant debate and prayer, a church structure was created. Beginning with a collection of members constituting a local church, the structure expands into a local conference, which is a collection of local churches. A collection of local conferences then constitutes a union conference. A collection of union conferences constitutes a division. Finally, the collection of divisions constitutes the General Conference (GC). Today in the NAD there are approximately 6,000 local churches, 59 local conferences, and nine union conferences. The NAD is one of 13 divisions of the General Conference.

With that sort of infrastructure, a lot of money is needed. While there are other sources of income available to the church, the comments in this article are confined to the predominant source of income which is tithe.

On the Local Conference Level

The local conference is the main employer in church structure. It employs frontline workers, comprised mostly of pastors, schoolteachers, and support staff. They pastor our churches, teach in our schools, operate day-care centers, Adventist Book Center book/food stores, and more. It is responsible for the salary, benefits, travel, and retirement costs for each of its employees. In addition, it resources its churches and schools in many ways, including training, appropriations, school operating subsidies, expertise in an ever-changing legal and regulatory environment, and much more. It also resources its nonemployee members through training programs, camp meetings, and other services designed to benefit church members.

Because the conference is the "boots on the ground" level of the structure, it has rightfully demanded and receives the largest share of tithe resources. Because times change, the distribution amounts have also changed. In the 1980s the policies of the church in North America distributed the tithe as follows: 10 percent to unions, 20

Figure 1

percent to division and GC, approximately 10 percent for retirees (defined benefit pension plan), and the balance of 60 percent to the local conference. Today (2023) it is 9 percent to unions, 13.5 percent to division and GC, 11.4 percent for retirement (now frozen defined benefit pension plan), and about 1 percent for a conference special assistance fund (a pool of funds that assists less financially able conferences) (figure 1). The balance of 65.1 percent stays at the local conference. Notice that over time, the local conference share has increased.

Because of the increasing demands on the local conference, there is continuing pressure on the union, division, and GC levels to push more tithe to local conferences. Part of that conversation includes questions as to the need for wider levels of the structure and what benefits those levels bring to the whole. I believe there has been a lack of communication and understanding about what benefits those wider levels of the organization bring.

As mentioned earlier, polity and policy drive the distribution of the tithe dollar. It is an extremely complex process with tithe flow, beginning with members giving to the local church, then passing those funds on to the local conference, where church policies push funding throughout the organization. The earlier explanation showed the local conference receiving around 65 percent of the tithe dollar. That is correct, but not complete. In addition to that distribution process of funds flowing out to the wider parts of the organization, portions then flow back to the local conference by way of appropriations and services performed directly on behalf of conferences. After considering all the outflow and backflow of tithe funds, in the end, on average (each conference is a little different because of different needs), the local conference ends up benefiting from about 83 percent of the original tithe dollar, and the union, division, and GC end up sharing about 17 percent.

Practically Speaking

To demonstrate that reality, I applied the tithe flow formula to actual conferences in categories of large, medium, and small. For the purposes of the calculation, a large conference was one that collected an annual tithe of more than \$35 million. A medium-sized conference was one that collected between \$15 million and \$35 million, and a small conference was one that collected less than \$15 million. The outcome was that large and medium-sized conferences were about the same as illustrated by figure 2. However, when it came to a small conference (and less financially able conferences), there was a marked difference, again as illustrated by figure 3. The large and medium-sized conferences were right around that low 80 percent range, while the small conference approached 100 percent! So why is there such a big difference?

After the main purpose of church structure being to support the global proclamation of the gospel message, it is designed to follow two long-held philosophies: first, the more financially able help the less

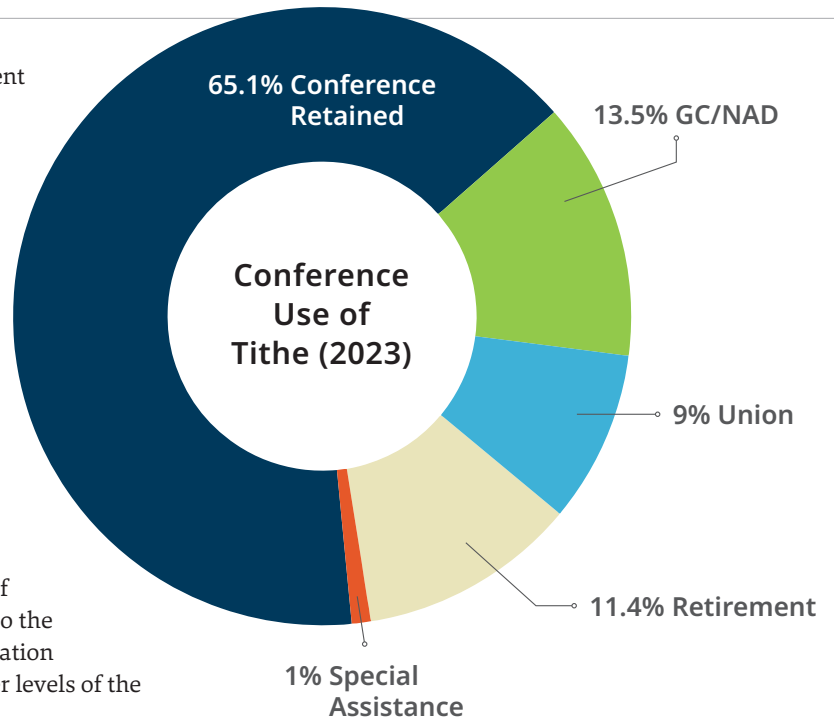


Figure 2

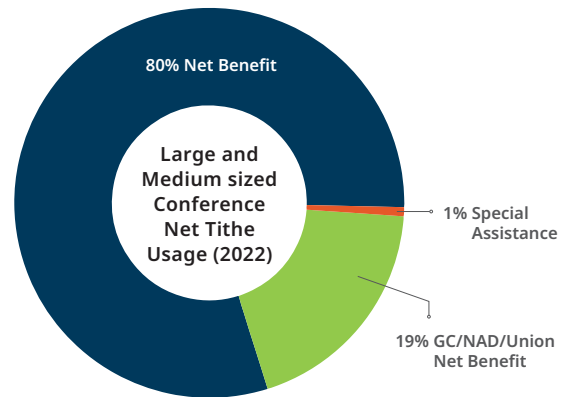
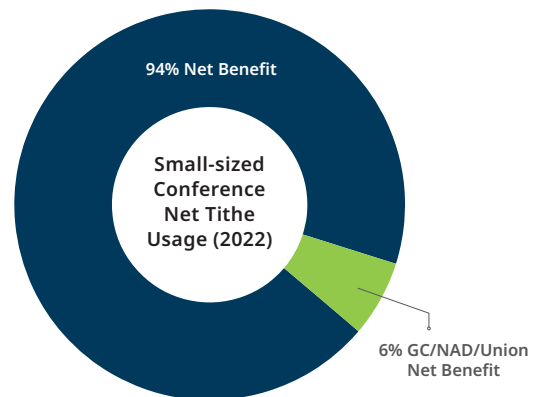


Figure 3





While there is continual room for improvement, I am amazed at what the wider portions of the organization provide to help sustain the mission we are all called to support.

financially able; and second, we are stronger doing things together than each doing their own thing. These two philosophies are integral to the entire financial structure of the world church.

When I return a single tithe dollar, for example, it assists my local church, conference, union, and division, and also helps other world divisions. In addition, those areas that are particularly needy tend to receive additional assistance from those more able to provide resources.

I call it a structure designed by divine genius! I love that the financial design gives a boost to those areas that need a little more help, and that we do it together!

Now that we understand how much tithe remains at the conference and generally what it is used for, how does the wider organization use the remaining 17 percent? While the following is in no way an exhaustive list, it is representative of what is provided using those dollars.

Missionary Deployment

One of the most important functions of our church is to send people out to various parts of the world to share the gospel message, where that might not otherwise be possible. Both the General Conference and the North American Division maintain departments

that care for the deployment of short- and long-term missionaries all around the world. Because the NAD serves countries outside the U.S., it also deploys “missionaries” even within its own division territory. These departments care for training, language development, moving, legal requirements of those entering other countries, health care, retirement benefits, and much more. This is a vital part of what the Adventist Church is all about, and takes significant time and expertise.

Religious Liberty

In our present society our religious liberties are at risk. Culture today seems to be all too willing to discriminate against people of faith, and often especially the Christian faith. The Religious Liberty Department stands ready to support those who are victims of this type of treatment. I love that our church brings resources to bear on behalf of a member who is dismissed from employment for honoring the Sabbath. I love that our church brings resources to bear in judicial halls around the country when our religious liberties are being attacked in the courts. I am so glad that our church supports those who speak out for Bible truth in the face of a culture that calls good evil and evil good. And I love that

our church uses resources to help keep a proper separation between church and state.

Legal Services

Unfortunately, the church needs legal expertise in a myriad of situations. In some cases a plaintiff may present a case that occurred locally, but wants to find the deep pocket and sue the entire world church. In other cases, individuals may bring false claims against the church that need a defense. And yes, in some cases a suit may be brought because of some wrongdoing. Whatever the case, the General Conference maintains a team of lawyers to provide expert advice in whatever the legal situation is. In addition, these lawyers are available to counsel with any church entity without charge.

Capital Borrowing

You may belong to a church that has had a building project. If so, there is a good chance your church secured a loan from the revolving fund. This is a fund, usually run in each union, that provides low-cost loans to build, purchase, refurbish, or add on to church and school structures. It is sort of like an internal bank. There are usually no fees, and a very competitive interest rate and repayment terms are available. Church members

in the union territory may choose to deposit funds into the revolving fund and earn interest like a savings account, knowing that the funds will be used to further the building capital needs within their territory.

Accounting/Auditing

It is very important for the church to maintain recordkeeping transparently in an orderly fashion. The NAD provides accounting and payroll software that is used by more than 90 percent of church entities beyond the local church and also develops software that can be used by local churches and schools. These programs are provided mostly free of charge to the users. In addition, the General Conference employs trained auditors (all with CPA licenses or on the path to receive the license), supported financially by the NAD and its union conferences, that annually review the accounting practices of most church entities beyond the local church and school level (local conferences perform financial reviews of their local churches and schools). The church adheres to GAAP (Generally Accepted Accounting Principles) as determined by FASB (Financial Accounting Standards Board). Our auditors come in annually and audit to those standards, helping to keep church entities within the appropriate financial and reporting guidelines.

Data Services

Hackers and data extortioners are everywhere! Virtually everyone these days is at risk from these bad actors, and the church is no exception. The NAD has built and maintains a data center where church entities can store, maintain, protect, and interact with their data within the safety of the NAD private cloud. This does not exempt us from attack, but it is much safer than most options and is available to our entities at low or no cost, using the expertise of the information technology staff of the division.

Education Curriculum Development

The Seventh-day Adventist Church in North America runs one of the largest school systems in the world. It embraces and teaches the distinct biblical beliefs of the church. Many call it the largest evangelistic tool in the NAD, where about 9,300 teachers educate and minister to more than 76,000 students every day. This would not be possible if the General Conference, NAD, union conferences, and local conferences did not collaborate together to develop a distinctly Adventist curriculum. Huge resources are brought to bear, particularly at the union, division, and GC levels, to make this available to our schools.

Insurance Services

Risks are everywhere. As individuals, we maintain insurance coverage to protect against property loss, bodily harm, liability, and many other risks. To assist the church with managing these risks of loss, the GC has created its own insurance agency, called Adventist Risk Management (ARM). This agency provides expertise, training, and resources to help us manage church risk. It goes into the marketplace on our behalf and purchases insurance products that provide financial buffers against losses. If a church burns down, ARM is there to help. If a Pathfinder is injured on a trip, ARM is there to help. If a school is a party to an incident where there may be a liability claim, ARM is there to help.

Sustaining the Mission

As I shared earlier, the wider church provides amazing resources that benefit the whole. I listed and explained a few, but there are so many more benefits! They include seminary/university support; investment services; planned giving services; media ministries support; direct services such as AdventSource, Christian Record, Adventist Community Services, Adventist Development and Relief Agency, chaplaincy ministries; resource development for Sabbath School, Pathfinders, Pacific Press; and so much more.

While there is continual room for improvement, I am amazed at what the wider portions of the organization provide to help sustain the mission we are all called to support. If we were to take the collective cost of these provided services, distribute it to each local conference, and do away with the rest of the organized structure, there is no way each individual conference could reproduce the services received by the wider organization. In addition, there is no way our local churches and schools could survive as they do without the support, expertise, and resourcing provided by their local conference. I praise God for the amazing collaboration we have within the structure of the Seventh-day Adventist Church!

After a lifetime of work in the church, I have concluded that we are better and stronger together. No individual entity can provide for itself all that this organization, working together, provides. Even though the benefits are tremendous, there is still room to improve efficiency, transparency, communication, and services. Finally, I have concluded that God is using this divinely inspired organization to tell a dying world about a soon-coming Savior.

It is my sincere prayer that each member experiences the joy of tithing as God has called us to do, and to do so through the Seventh-day Adventist Church, recognizing that God is using this church organization to do His bidding because of His divine genius.

Randy Robinson, former North American Division treasurer, retired on July 31, 2023.