

The Role of Financial Management and Oversight in an International Religious Organization



Financial Executives International
Baltimore Chapter

December 8, 2021



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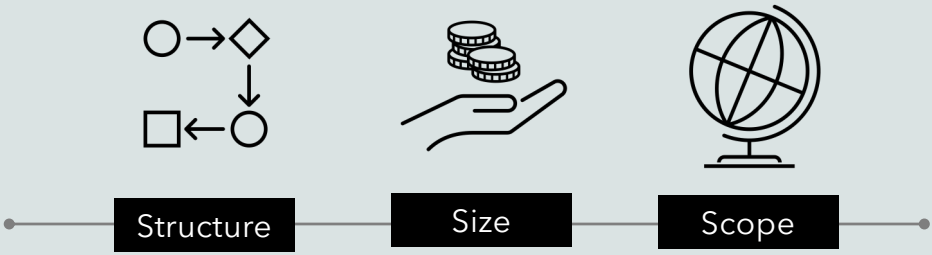
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SEVENTH-DAY
ADVENTIST® CHURCH

- Disappointment
- Denomination
- Development

3

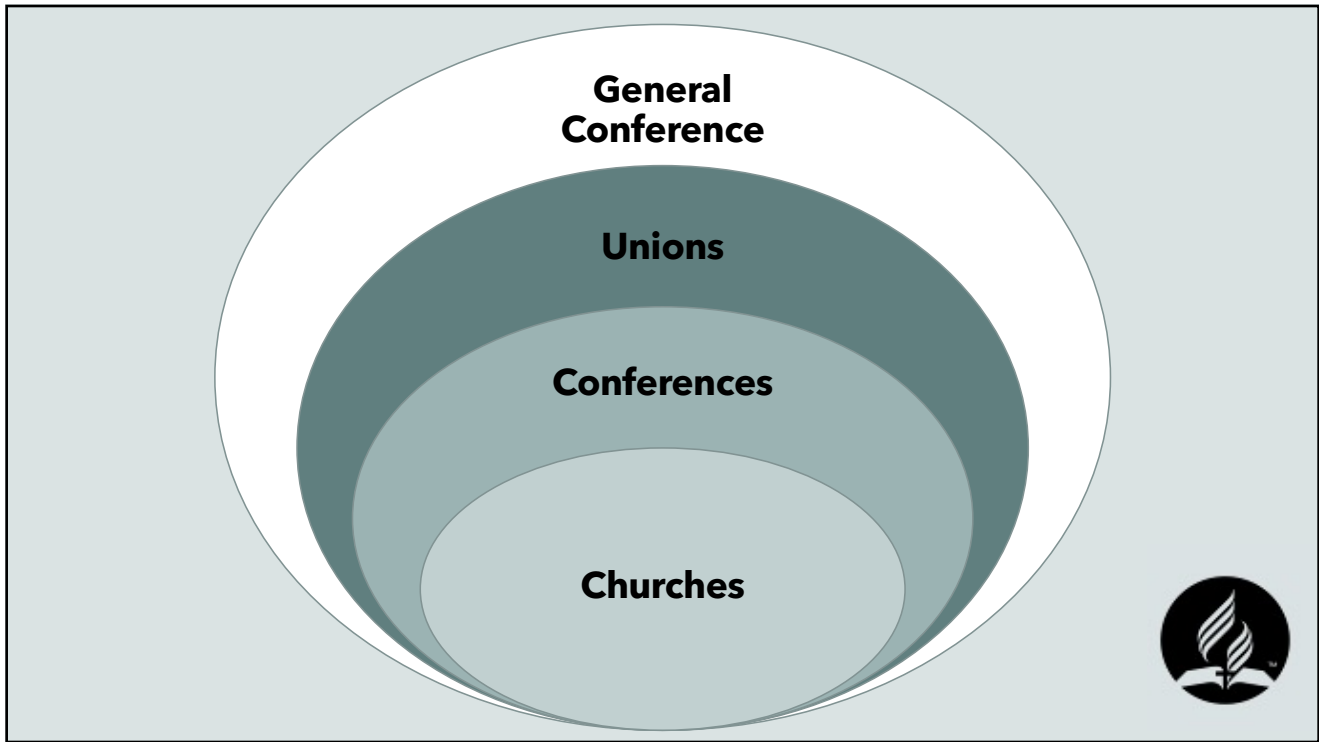


Structure Size Scope



SEVENTH-DAY
ADVENTIST® CHURCH

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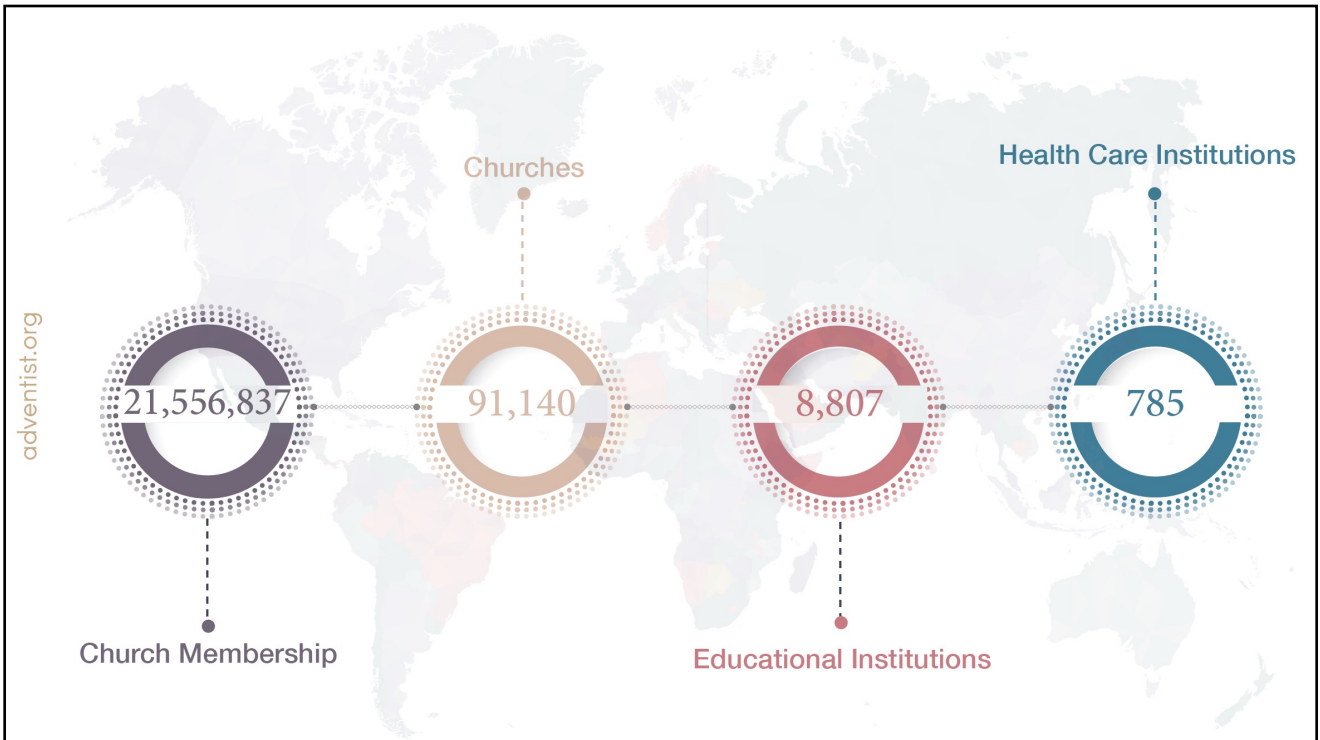


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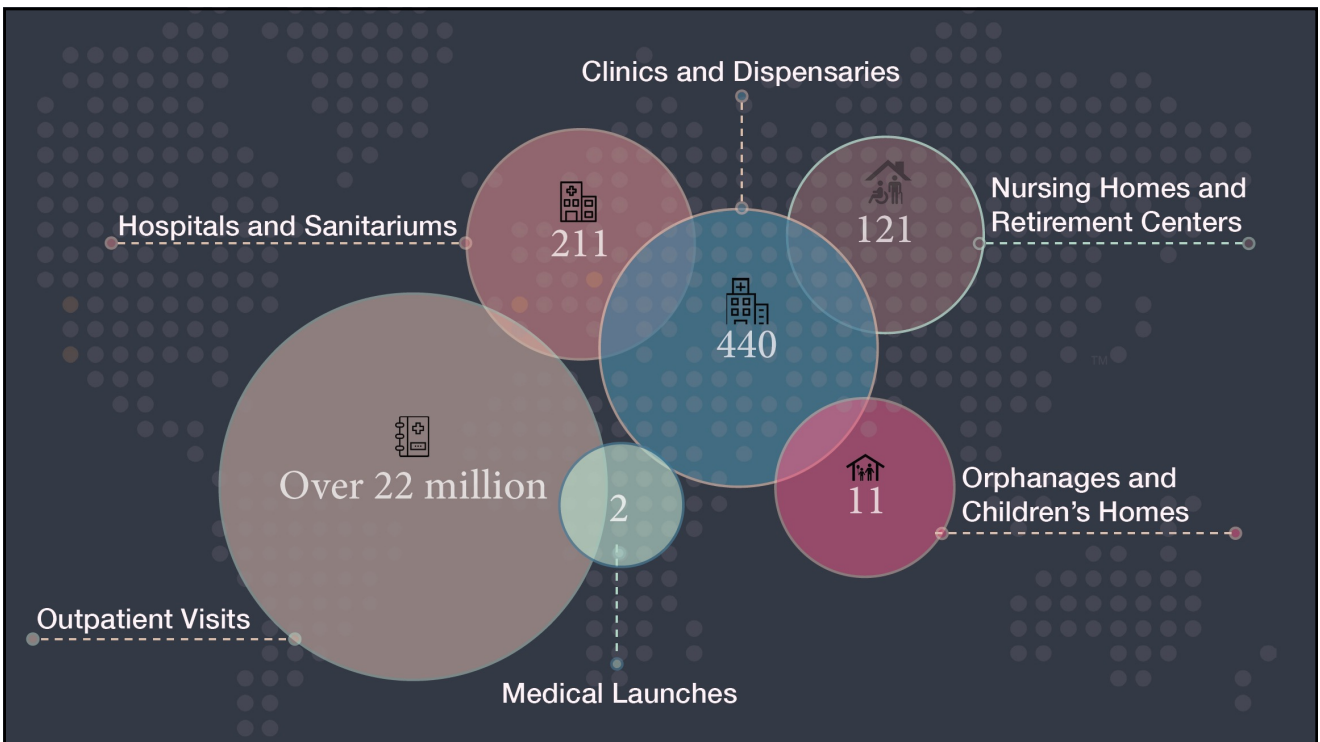
	1863	2013
Churches	125	145,208
Conferences	6	626
Unions	-	132
Divisions	-	13
Schools	-	7,579
Hospitals	-	173
Tithe	\$8,000	\$2,396,813,329
World Offerings	-	\$ 133,488,766
Local Offerings	-	\$ 745,529,417



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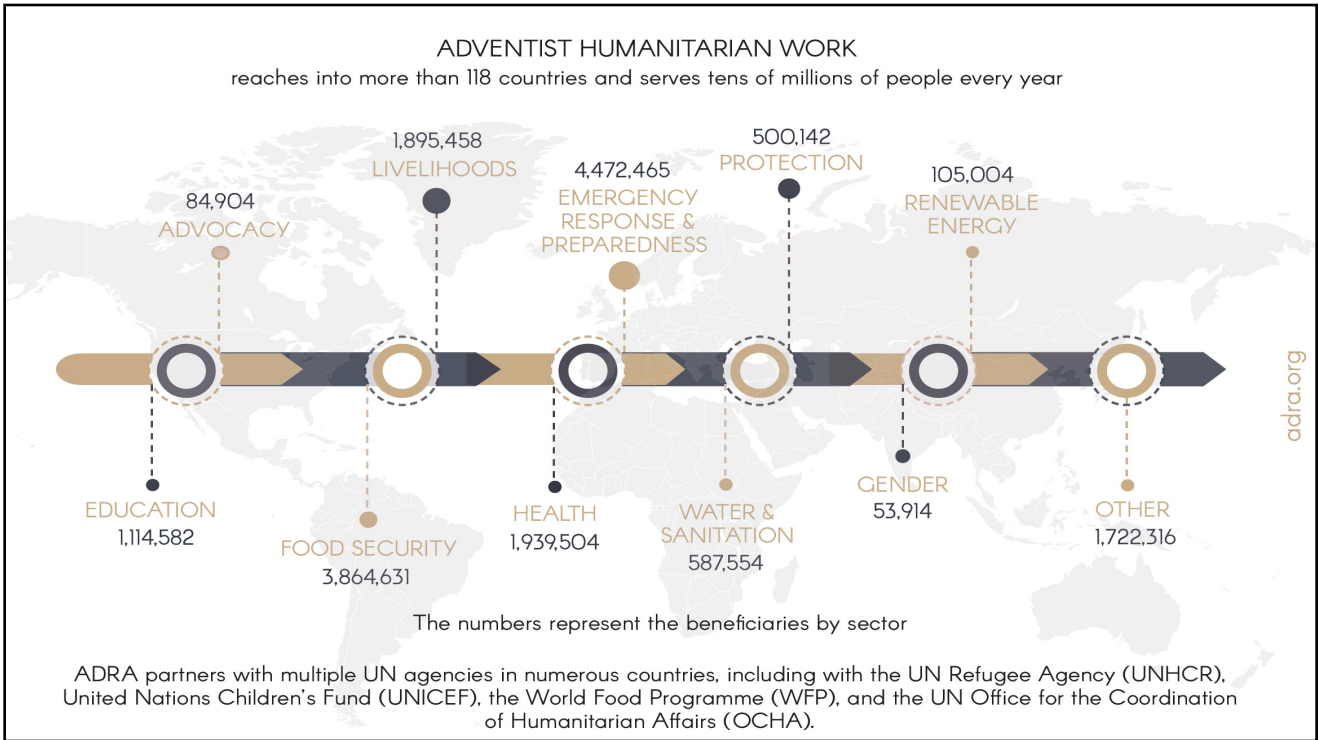
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THE EDUCATION DEPARTMENT
is responsible for the coordination, promotion, training, and quality of the global Seventh-day Adventist educational program, which includes 8,807 schools, colleges and universities, with 106,031 teachers and 1,881,571 students

	Schools	Teachers	Students
Elementary	6,106	51,035	1,130,026
Secondary	2,549	40,766	576,456
Further Education	34	536	7,350
Higher Education	118	13,694	167,739
Total	8,807	106,031	1,881,571

education.adventist.org

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Polling Question 1

What year was the Seventh-day Adventist Church organized?

- a) 1844
- b) 1863
- c) 1944
- d) 1963



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Financial Management



Financial Challenges

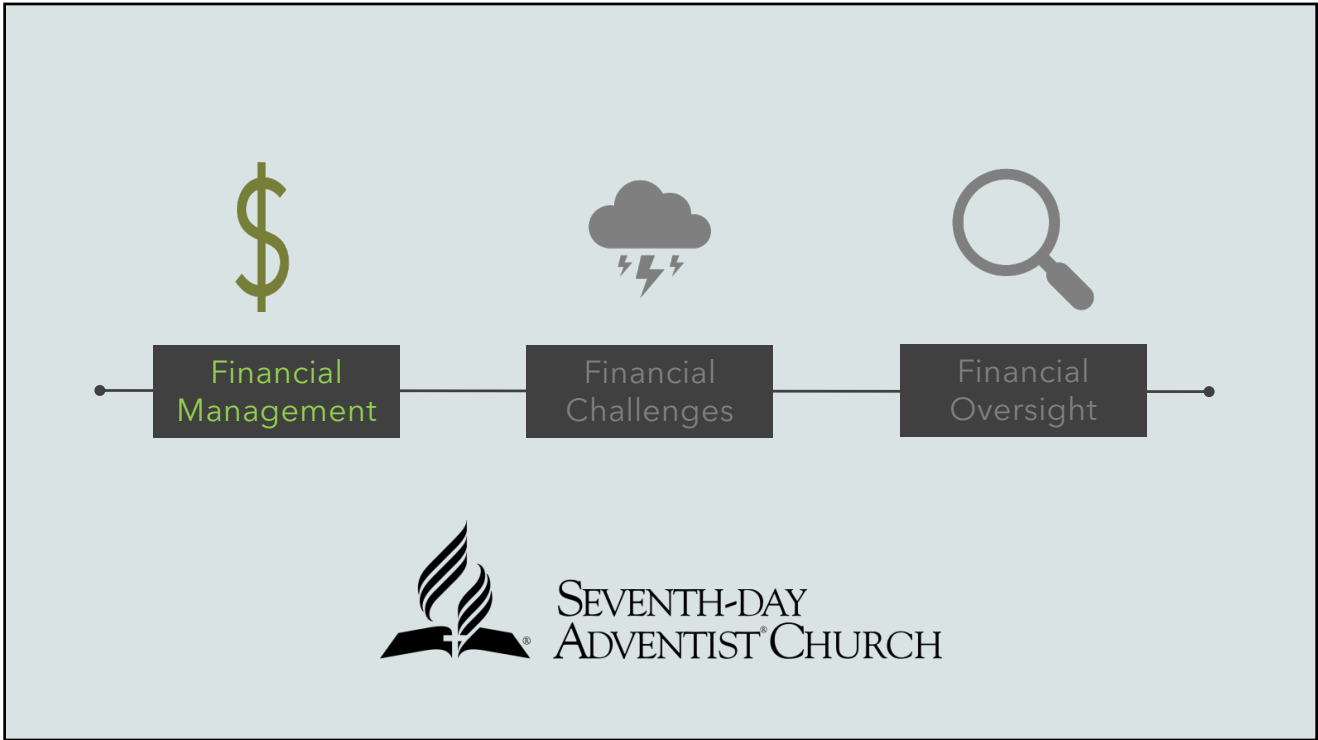


Financial Oversight



SEVENTH-DAY
ADVENTIST® CHURCH

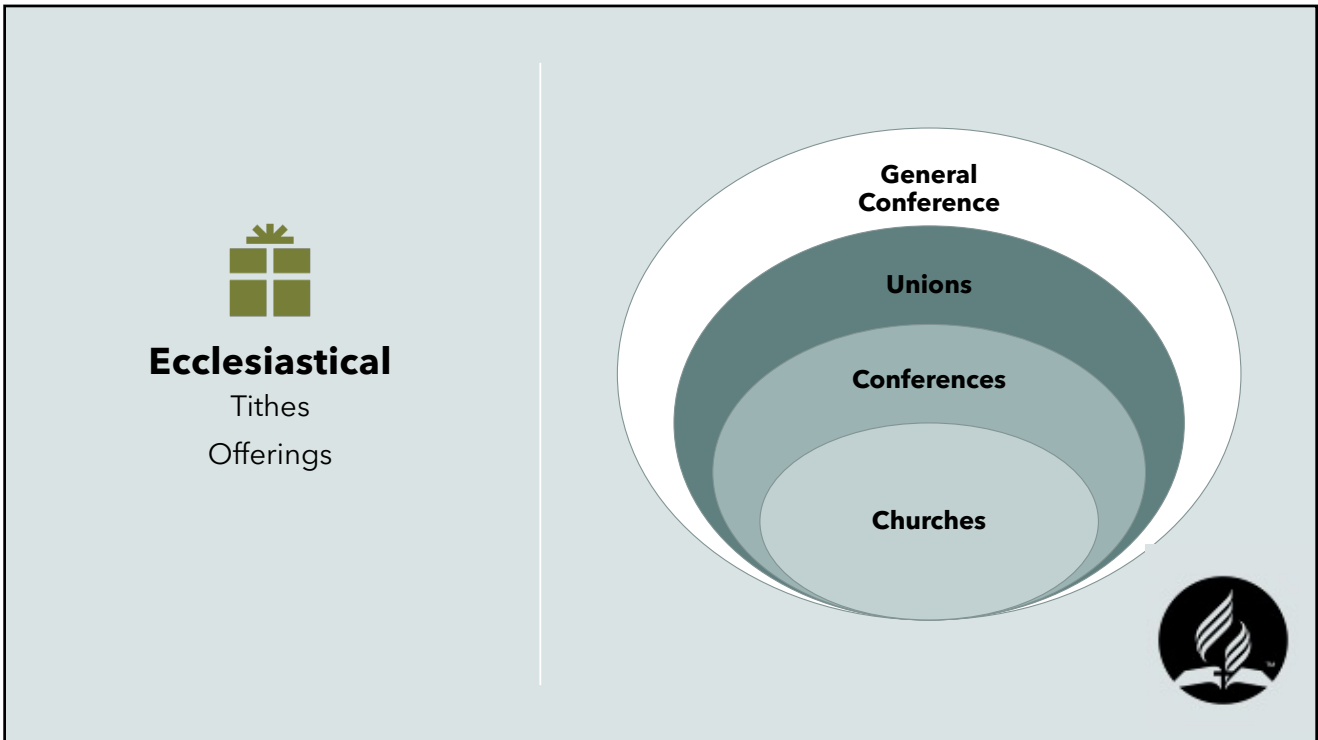
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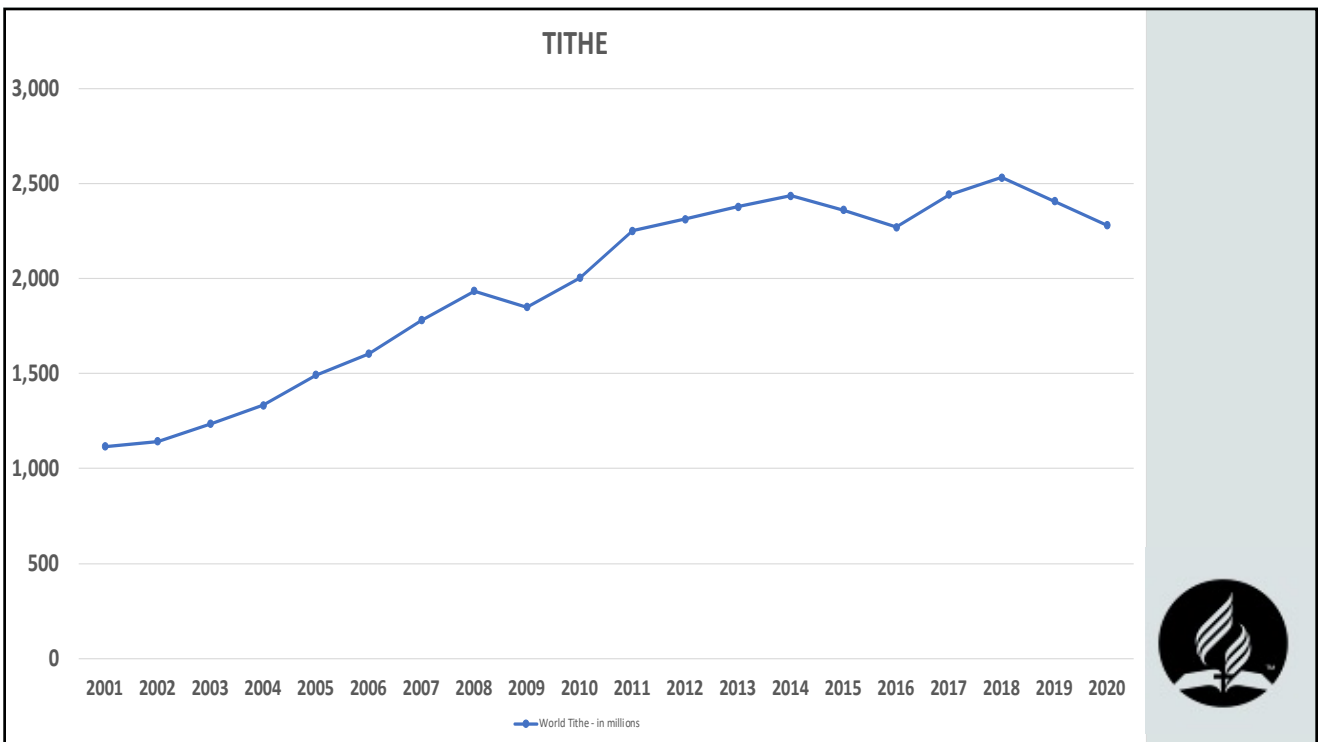
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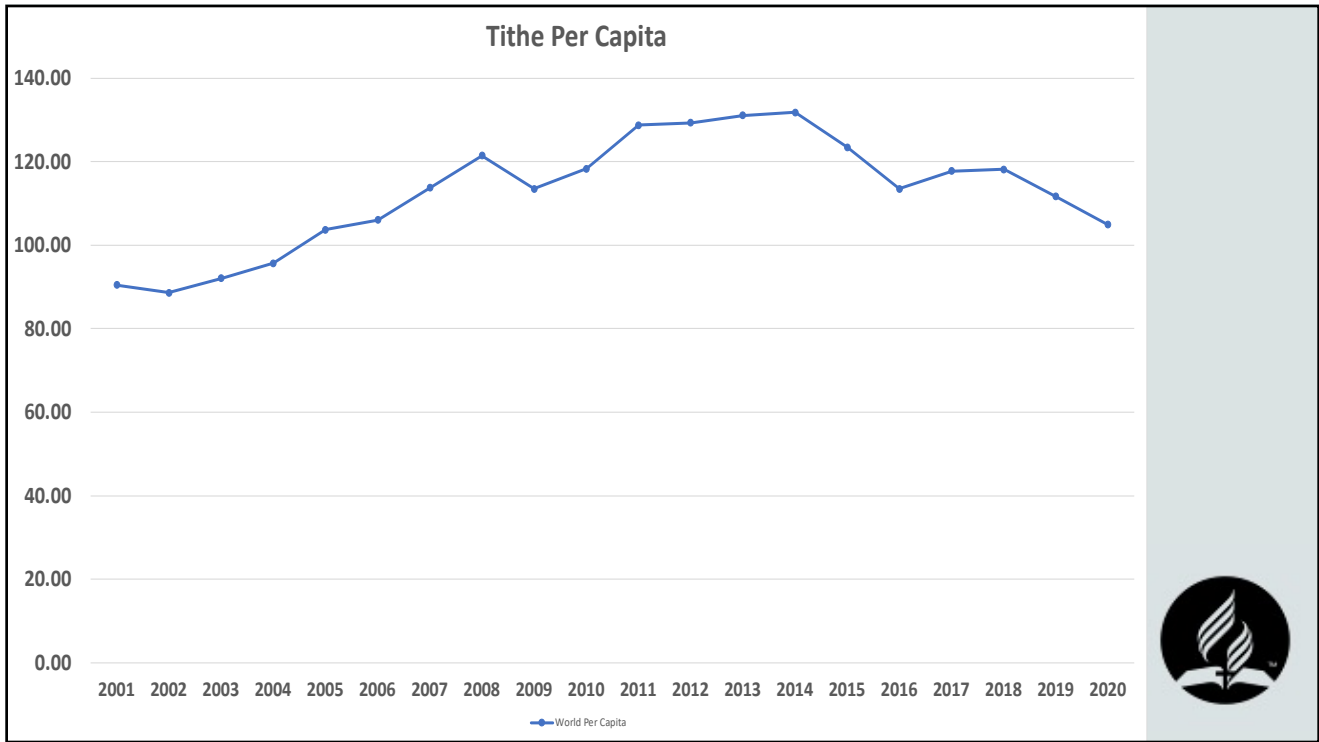
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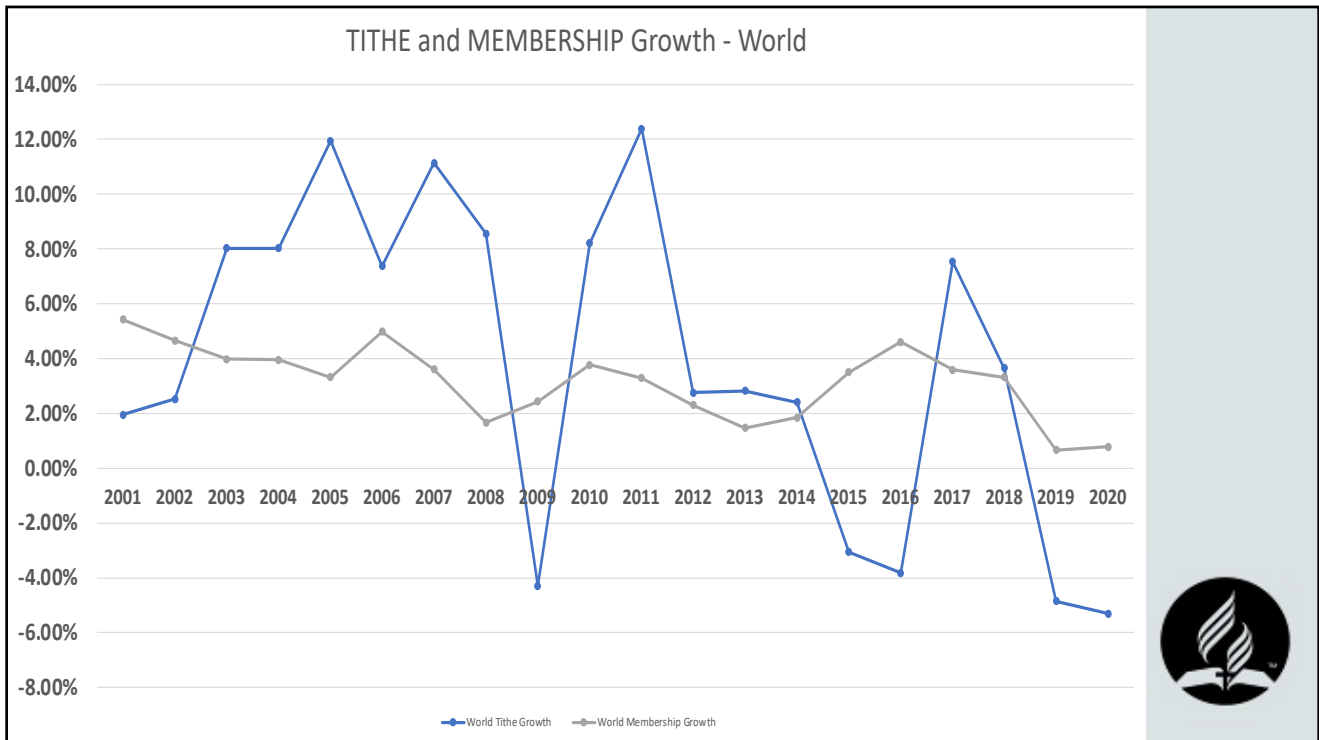
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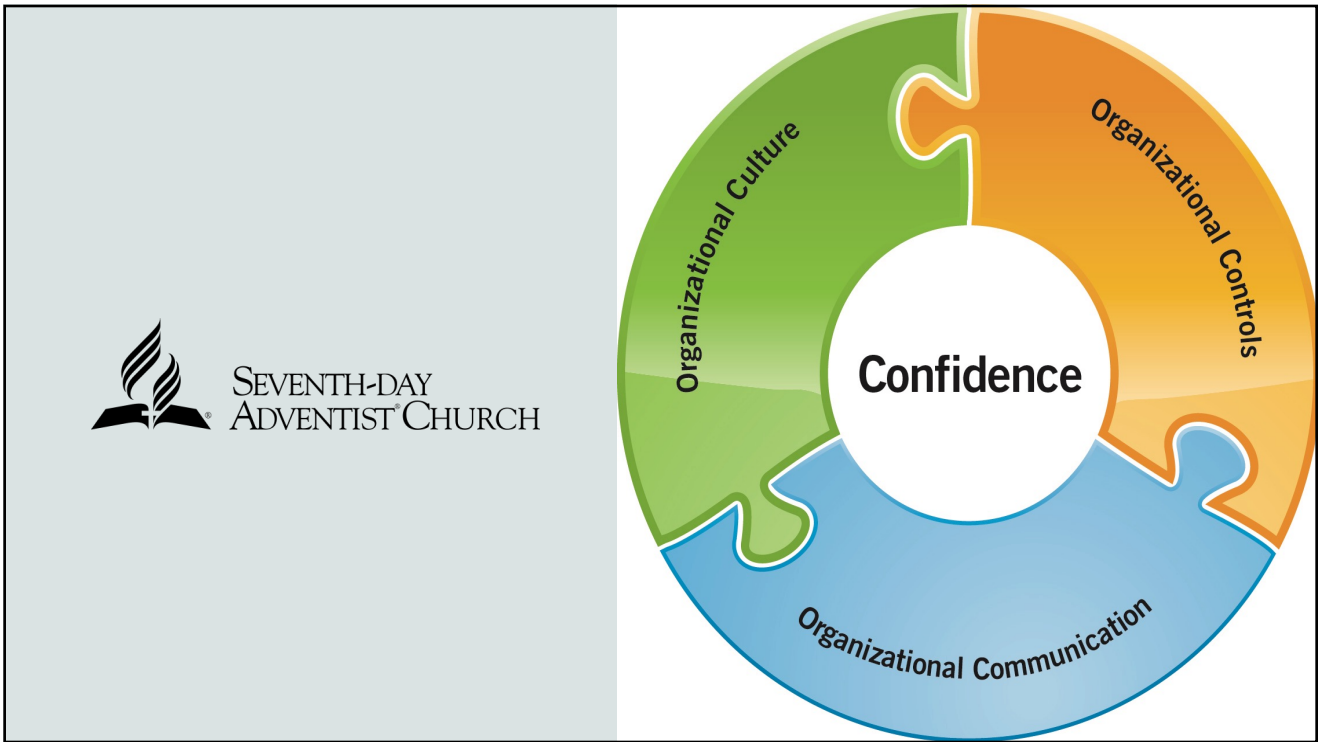
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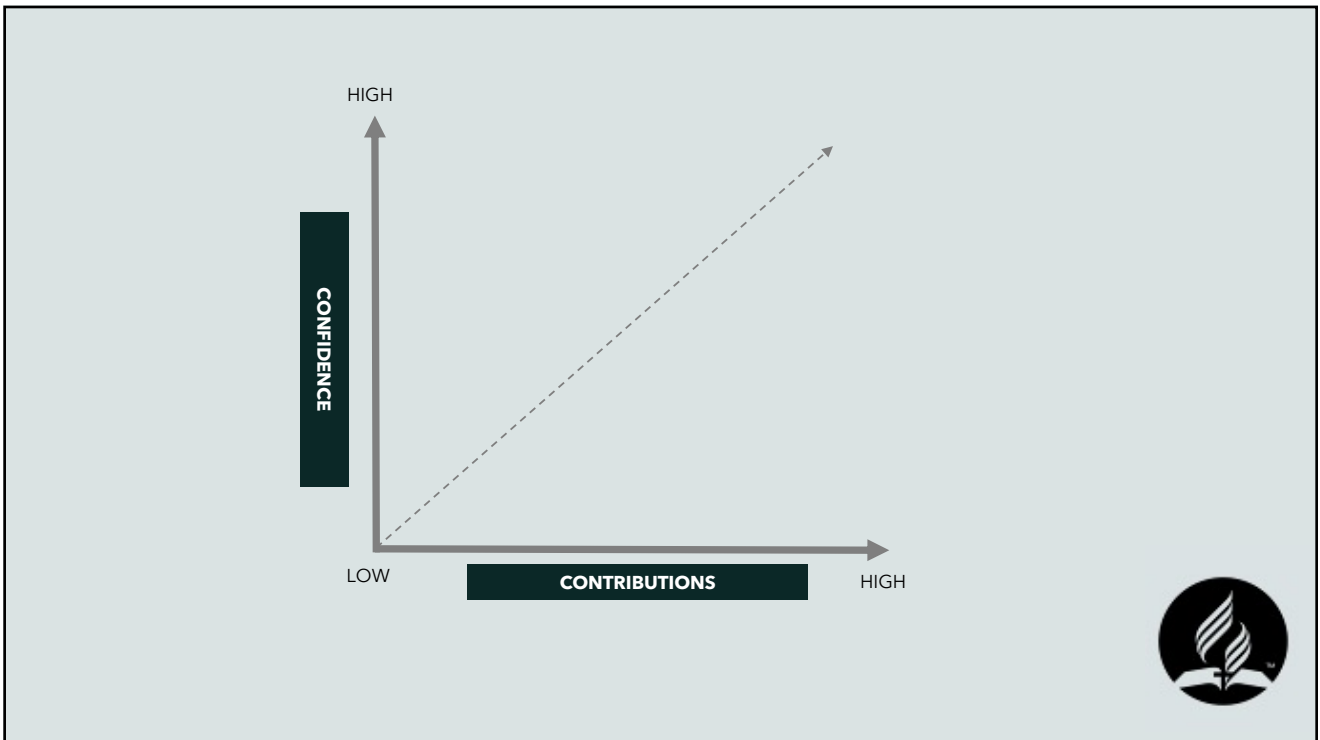
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S 04 05 Role of Leadership in Financial Matters–

It is the responsibility of organizational leadership to manage financial matters with integrity. Every leader must model behavior that is guided by a commitment to ethics, transparency, and accountability. This behavior is critical for building confidence in the overall Church organization. To sustain this confidence, open communication must take place among the employees of the organization, between management and the controlling board or executive committee, between the organization and its constituents and other stakeholders, and between the organization and higher organizations. Beyond modeling behavior, it is imperative for leaders to promote and design the most appropriate systems that will safeguard the resources which are used to support the mission of the Church.



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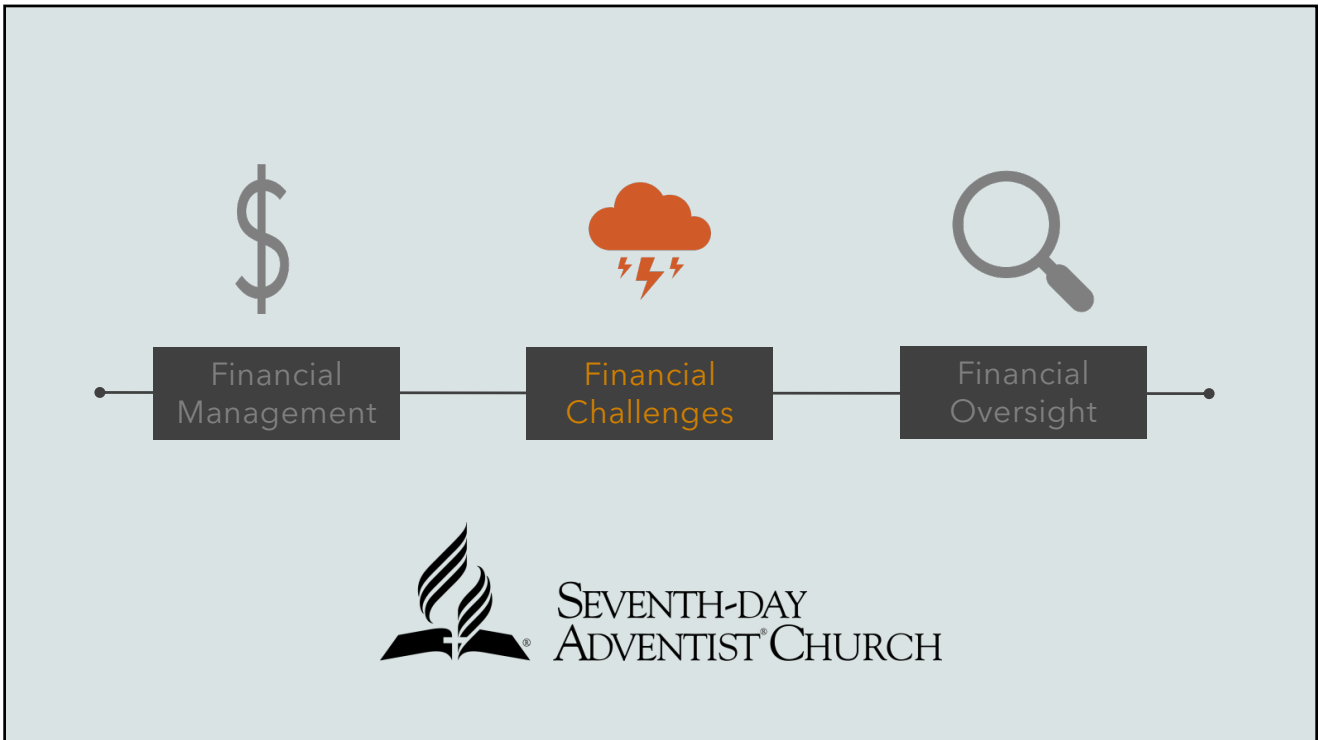
Polling Question 2

Among faith-based organizations, the Seventh-day Adventist Church has the second largest educational system?

- a) TRUE
- b) FALSE



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What Will be the Shape of Recovery?

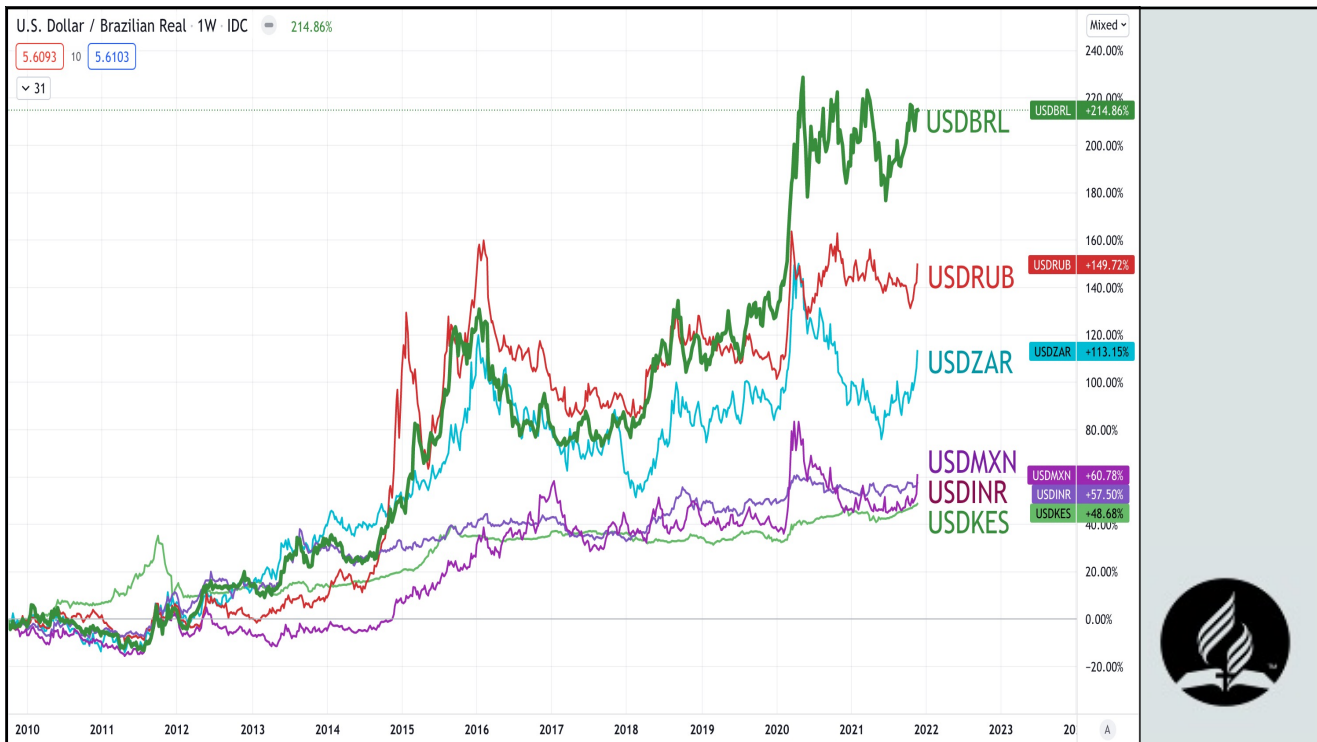
Four scenarios for economic development

- V shape:** Quick recovery. Immediate growth decline, followed by quick global recovery (within 2-3 months).
- U shape:** Global slowdown. A shrink in growth with slow return to trend growth.
- W shape:** Multiple waves. Multiple rebounds, preventing overall long-term economic stabilization but allowing targeted recoveries.
- L shape:** Recession. Severe decline without any return to growth for many years.

OR

K shaped recovery?

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Membership in the global south continues to surge but supporting that growth and moving towards self support are key challenges for the church.

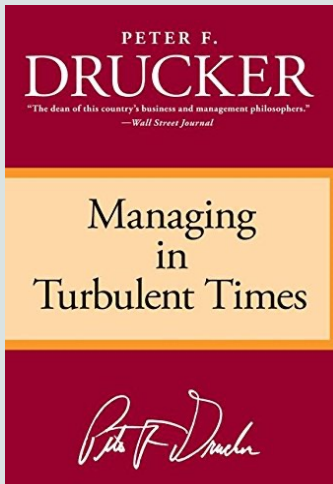
Ensuring sufficient liquidity, solvency and stability for all levels of the church organization is critical and measures are being put into place.

Considering how to balance growth and stability in operations in the future, as economic landscape shifts, is the next challenge. Membership growth, global economic transitions, currency volatility, demographic shifts, inflation and geo-political uncertainties require meaningful thought and planning to pro-actively meet the future.

Looking into new technology such as crypto-currencies, block-chain and decentralized finance will be the next paradigm shift that needs to be added to our radar.

Outlook and Challenges

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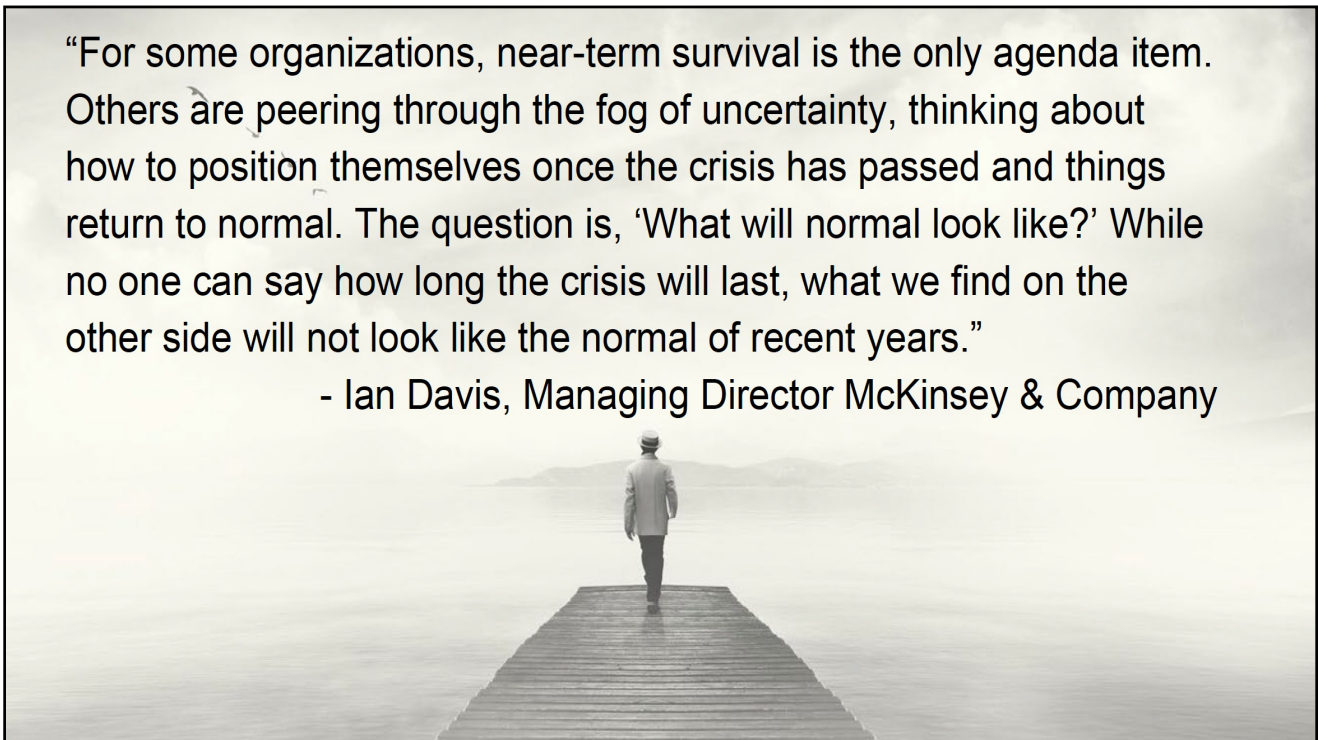
"The greatest danger in turbulent times is not the turbulence. It is to act with yesterday's logic."

"But a time of turbulence is also one of great opportunity for those who can **understand, accept and exploit the new realities**. It is above all a time of opportunity for leadership."

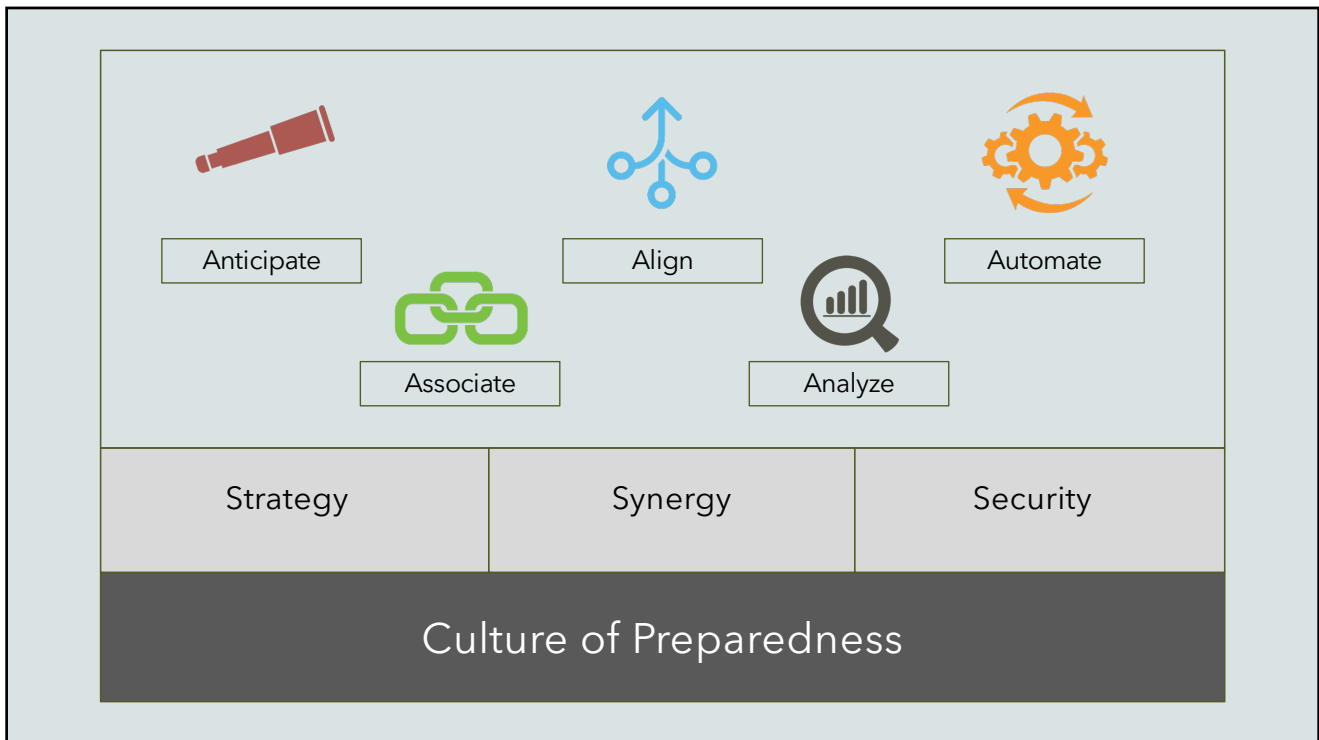
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"For some organizations, near-term survival is the only agenda item. Others are peering through the fog of uncertainty, thinking about how to position themselves once the crisis has passed and things return to normal. The question is, 'What will normal look like?' While no one can say how long the crisis will last, what we find on the other side will not look like the normal of recent years."

- Ian Davis, Managing Director McKinsey & Company



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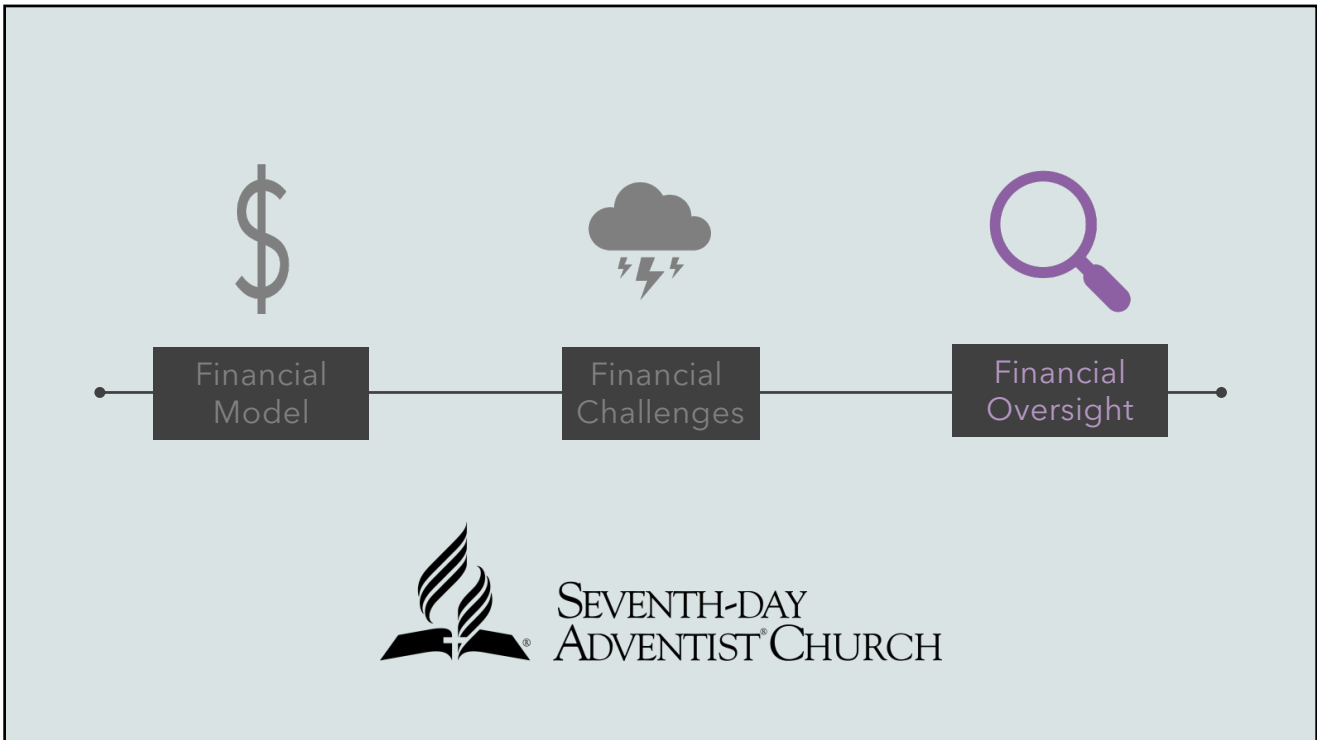
Polling Question 3

The Seventh-day Adventist Church relies on tithe from its members to finance its missional activities?

- a) TRUE
- b) FALSE



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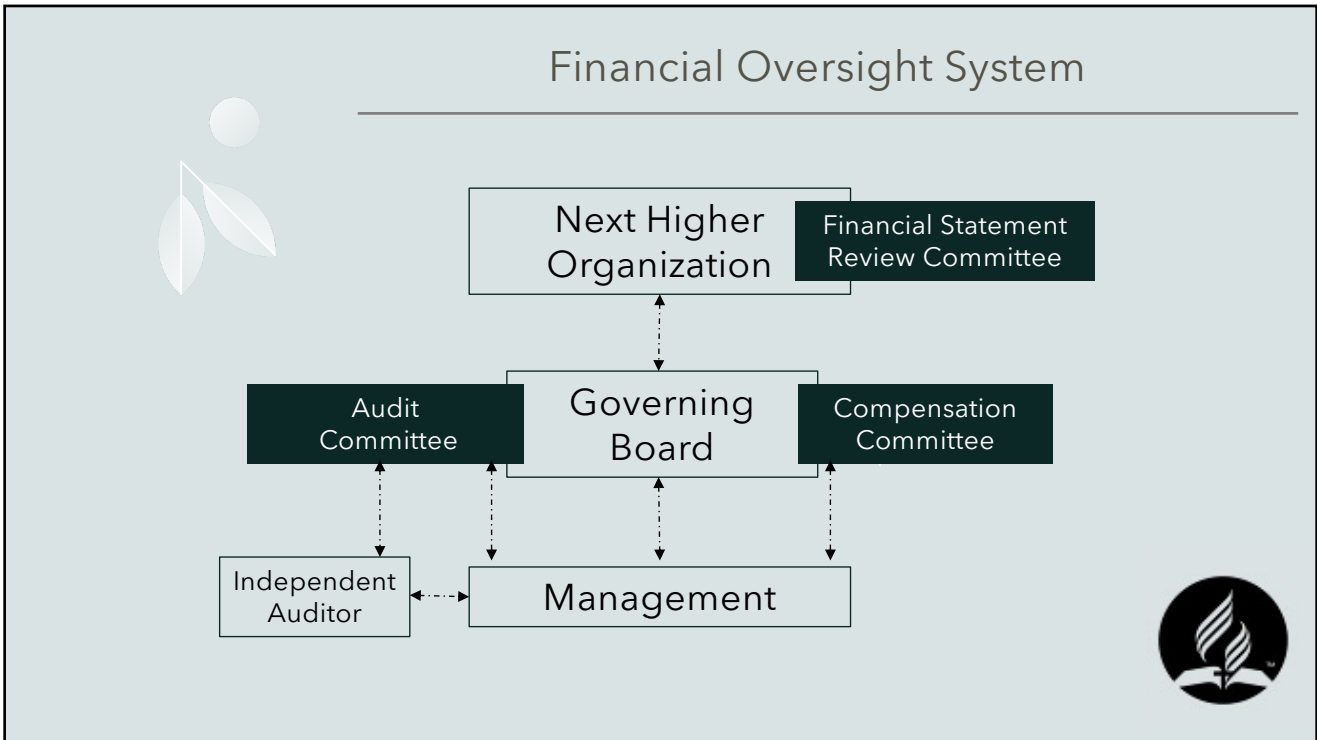
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Consensus of Church Leaders

- 1 Promote a culture of transparency and accountability
- 2 Revise policies to incorporate best practices
- 3 Require establishment of Audit Committees
- 4 Provide training to boards/committees on governance



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GCAS

General Conference
Auditing Service
Delivering Excellence!

Current Profile

FIVE Area Territories
*North America, Trans Africa, Trans America,
Trans Asia Pacific, Trans Euro Asia*

45 Regional Offices

Professionals—Female - 27% | Male - 73%

68% Professionally Certified (CPA, ACCA, CA)

The slide features a world map on the left with five regions highlighted in different colors: North America (orange), Trans Africa (purple), Trans America (green), Trans Asia Pacific (blue), and Trans Euro Asia (red). On the right, the GCAS logo is displayed above the text 'Current Profile'. Below this, it lists 'FIVE Area Territories' with their names in italics, '45 Regional Offices', 'Professionals—Female - 27% | Male - 73%', and '68% Professionally Certified (CPA, ACCA, CA)'. Two logos are at the bottom right: the GCAS logo and a circular logo with a flame.

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The BDO Alliance USA is committed to helping us better serve our clients whenever and wherever we may need it. GCAS will be able to access an alliance of CPA and consulting firms throughout the United States and an international network of people and firms.



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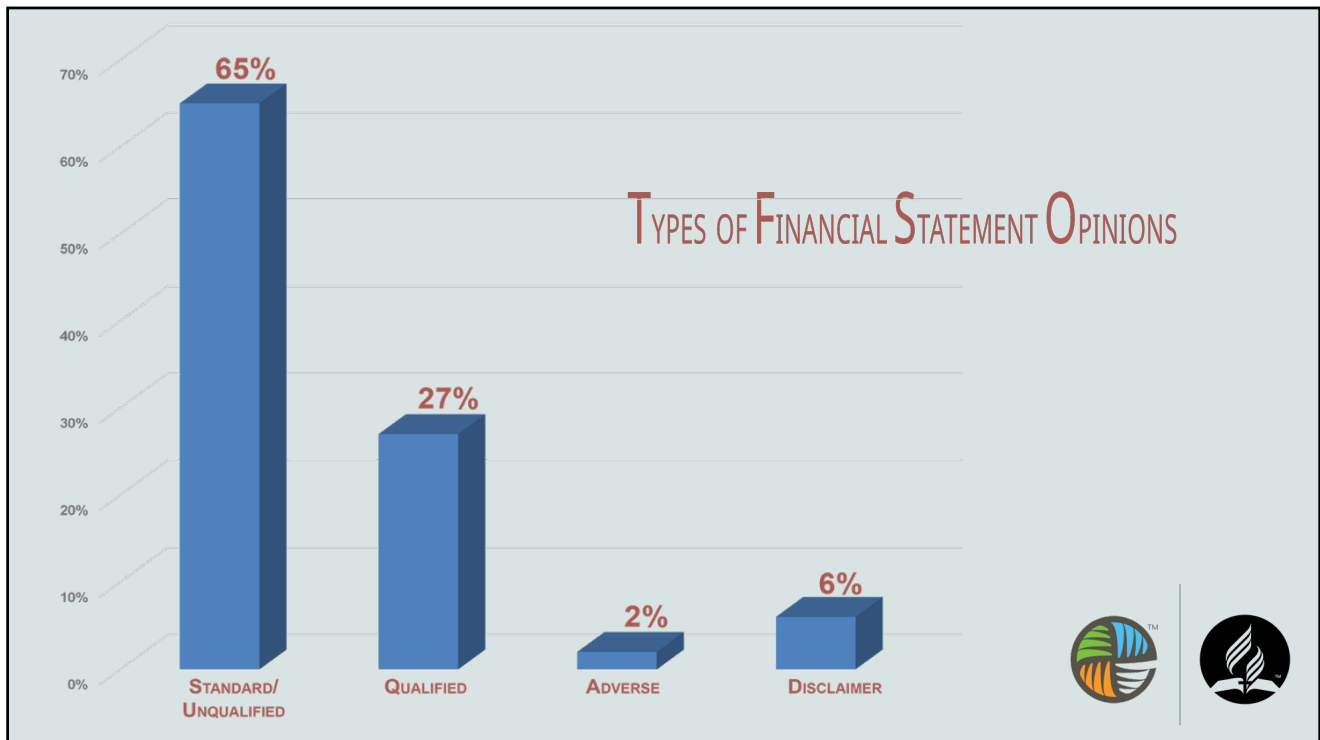
Polling Question 4

How many committees does the Seventh-day Adventist Church use as part of its financial oversight system?

- a) 3
- b) 4
- c) 5
- d) 6



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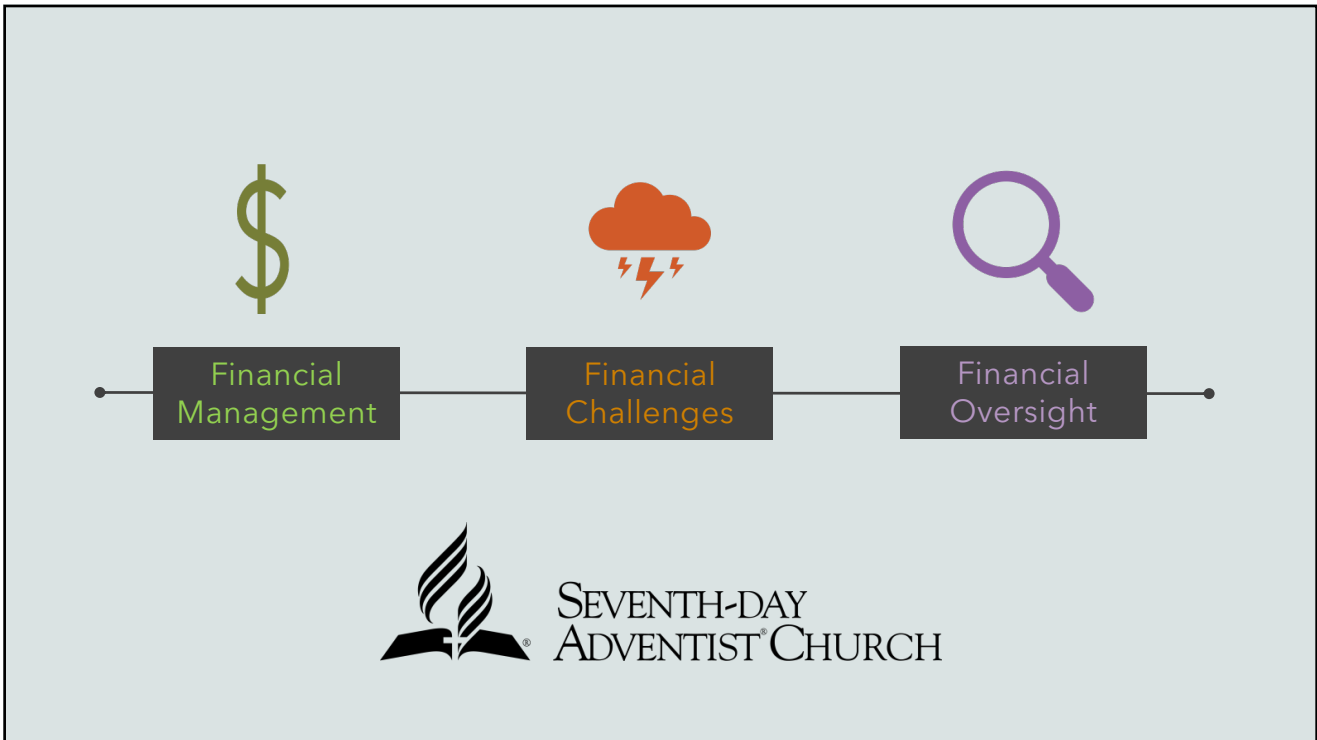
Polling Question 5

How many auditors does the Seventh-day Adventist Church have stationed around the world?

- a) 50
- b) 60
- c) 300
- d) 400



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The graphic features a white square with a black border containing the equation $L > C^2$. Below this, a quote reads: "In a period of rapid change and increasing complexity, the winners are going to be the people who can **LEARN** faster than the rate of **CHANGE** and faster than their **COMPETITION**." The quote is attributed to Tom Hood, CPA, CITP, CGMA.

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