

# THE FINANCIAL LAW OF THE CHURCH

The purpose of this outline is to provide you, the minister, with some basic information and understanding concerning the *financial law* of Christ's Church, also known as the *temporal law*. It is the hope that with this foundation you will be able to share this information and understanding with the members of the church, so they too begin to gain an understanding and appreciation of the importance of the financial law in their lives, and the work of the Kingdom.

Sources of information for this outline include: *Handbook of the Financial Law*, by the Presiding Bishopric, Herald Publishing House, Independence, MO, 1949. AND, *Stewardship Opportunities and Responsibilities*, under the direction of the Presiding Bishopric Herald Publishing House, Independence, MO, 1956. Some wording has been added or altered with the intent to clarify or update the information. No effort has been made to identify those changes.

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The church is the chosen instrument by which God purposes to preach the gospel in all the world, to nurture his people in the ways of righteousness, through the establishment of Zion. In order to carry forward its missionary and Zion program, financial means are necessary. To supply this need God has commanded his people to contribute of their temporal possessions in proportion to their ability and according to his law, which is called the financial law of the church.

## The Basis of Our Obligation

- There are at least two basic reasons why we should honor the financial law:

### ***God Is Supreme Owner:***

Complete ownership of life and all material things belong to God. It is impossible to think straight and not trace this ownership to him as both the creator and giver of all we possess. Since he is responsible for all of these things, we are obligated to acknowledge his supreme ownership.

### ***We Are Stewards Only:***

It must also be understood that our relationship to him is that of a trustee or a steward over the things which come into our possession. We are held accountable for the way in which we manage them. Therefore, we owe both God and man a share of our material resources. The financial law sets forth our duty in this regard and determines what is required of us for this sharing.

## The Law Applies to All

- Observance of the financial law should be done as soon as we become aware of our responsibility to obey the gospel of Christ. It may precede our obedience in baptism, but certainly should follow immediately thereafter. Compliance with the financial law will truly show the sincerity of our repentance and desire to obey the whole law of Christ.

- Some may wonder why obedience to the financial law is not made a test of membership. The enforcement of such a rule would mean that those who do not file tithing statements and pay their tithing would have their membership in the church taken from them. We do not believe that such drastic procedure would be helpful nor would it solve our problem, for compliance with this law as well as every other gospel law to be effective must be voluntary on the part of the member. Rich blessings always attend those who willingly choose to obey the law in its fullness. This does not absolve us as ministers and teachers from our responsibility to instruct and to win members as well as new converts to obedience. Particularly should every prospective member be made to understand the law that he may be willing to fulfill its requirement before or immediately after baptism.
- There may be many who have had their names on the church records for a long time and yet have not consistently rendered an accounting and paid their tithing. This may be due to a lack of understanding of the requirements and benefits of the financial law. Patient effort should be made to win these members to complete obedience, for unless the law is understood and obeyed, the Lord's work will suffer and the progress of the church will be retarded.
- The commandment of God places responsibility upon parents to teach their children the principles of life. Children become answerable for their own deeds when they arrive at the years of understanding. Therefore, they, too, should keep the financial law. Some seem to think that children have no particular financial responsibility because they are busy attending school and the means of their support is furnished by their parents. While young people may not have large incomes, yet the purposes and the principles of stewardship should govern them whether the amounts to be managed are great or small. Children should not be deprived of the opportunities for growth by shielding them from the discipline of the law. Parents cannot be baptized for their children; neither can they observe the Communion for them. Therefore, there is no good reason why children who experience their spiritual benefits of membership should not also experience the blessings derived from compliance with the financial law.

### **Instruction of Children**

- In every branch and in every Latter Day Saint home, provision should be made for the instruction of children in keeping the financial law; particularly it is important that they observe the law from the time they enter the church by baptism.

All priesthood members should assume responsibility in their ministry to the family for teaching children the financial law and encouraging parents to assist their children in developing habits of statement filing and tithe paying. If we would build soundly for the future of the church, we must see to it that the children of today are instructed in the financial law.

## Nature of the Financial Law

- The financial law, as well as every other law of God, is founded upon justice, equity, and righteousness. It is God's law governing the manner in which the income of the church is to be obtained, the purposes for which it is to be used, and the channels through which expenditures may be made.
- The Lord made it the duty of the Bishopric to bring to the church an interpretation of the financial law as a result of their mutual study and research in the word of God.

*"The word has been already given in agreement with revelations long since delivered to the church, that the temporalities of the church were to be under the charge and care of the bishopric, men holding the office of bishop under a presiding head acting for the church in the gathering, caring for, and disbursing the contributions gathered from the saints of moneys and properties under the terms of tithing, surplus, free-will offerings, and consecrations. [Please note the order in which these contributions are listed. It agrees entirely with the interpretation presented by the Bishopric.] The word which has been given at a late period should not have been so soon forgotten and disregarded by the church or any of its members. The church has been directed to accede to the rendition of the bishopric with respect to the temporal law; and until such heed is paid to the word which has been given, and which is in accordance with other revelations given to the church, which has been before given, the church cannot receive and enjoy the blessings which have been looked for when Zion should be fully redeemed." —DC 129: 8.*

- During the Conference of 1923, the Bishopric presented the findings of their studies concerning stewardship. This was in the form of a resolution as follows: "The Order of Bishops believe it to be the duty of every member of the church to acknowledge his stewardship by complying with the law as given in the Scriptures:
  - a. Filing his inventory (First Financial Statement).
  - b. Paying his tithes.
  - c. Paying his surplus.
  - d. Making his offerings.
  - e. And thereafter giving an account of his stewardship annually as provided in the law of God." (Annual Financial Statement.)

This represents in skeleton form the interpretation of the financial law as held consistently by succeeding Bishoprics over a long period of time. Within the church today there is an apparent unanimity of acceptance of this interpretation of the law. We are convinced that if the great corps of ministers and teachers throughout the church will place before the Saints the spiritual values of keeping the law, individuals as well as groups of the church will observe a definite advancement to the cause.

## **Making the First Tithing Statement (Inventory)**

- *“And also my servants who are abroad in the earth should send forth the accounts of their stewardships to the land of Zion, for the land of Zion shall be a seat and a place to receive and do all these things.”—DC 69: 2.*

*“For verily thus saith the Lord, It is expedient in me for a bishop to be appointed unto you, or of you unto the church, in this part of the Lord's vineyard; and verily in this thing ye have done wisely, for it is required of the Lord, at the hand of every steward, to render an account of his stewardship, both in time and in eternity. For he who is faithful and wise in time is accounted worthy to inherit the mansions prepared for them of my Father.” —DC 72: 1.*

*“Let no one deceive himself that he shall not account for his stewardship unto me.”—DC 118: 4.*

Thus according to the law, every member of this church should give an accounting for the material blessings which have come into his possession as a stewardship.

This first tithing statement is sometimes called the inventory, because it contains a statement of all one's assets [what you own] and liabilities [what you owe]. The purpose of making such a statement is to determine one's present net worth as a basis of determining one's financial responsibility to the church. The net worth is determined by deducting one's liabilities (value of what you owe) from his assets (value of what you own).

- The initial step in making a first tithing statement is to list all resources (possessions) at their proper value. This will include real estate and improvements, household furnishings, jewelry, clothing and personal effects, mortgages, notes, stocks, bonds, etc. The sum of these items will indicate the total value of all possessions. If it is not possible to know the actual value because information of the costs is not available, it will be necessary to estimate some items at a reasonable value. In this connection, advice was given to the early church that the financial statement should be made as accurately as possible without entering into too great particulars.
- In order that the net worth [what you own minus what you owe] might properly be determined, it will be necessary also to deduct the total of all liabilities and debts from the total of the resources. These will include mortgages, notes, or accounts of whatever nature they might consist; in fact, all obligations that must be paid. One tenth of this net worth will show the amount of the tithes due the Lord.

## **Tithing of Possessions**

- The next thing to be considered is the payment of the tithes or the tenth of our increase which has been determined by the first tithing statement. If possible, the full amount of the tithes should be paid when the statement is filed, but if that is not possible, then such part of it as one is able to pay should be paid

and some satisfactory arrangement with the bishop [or a designated representative] made for the payment of the balance. Remember the account paid in full brings the most satisfaction to the steward and great benefit to the church.

## The Tithe

- The word tithe means "a tenth." From most ancient times God asked his people to pay to him a tenth of their increase. It was nearly three thousand nine hundred years ago that Abraham paid tithes to Melchisedec.

*"And he lifted up his voice, and he blessed Abram, being the high priest, and the keeper of the storehouse of God; Wherefore, Abram paid unto him tithes of all that he had, of all the riches which he possessed, which God had given him more than that which he had need."*—Genesis 14: 37-39 (Inspired Version).

Thus after deducting his needs Abraham paid a tithe on the increase.

- Moses likewise formulated into a law that which had been handed down from father to son for many generations. In Leviticus we find that the law of the tithe was included as an obligation of God's people.

*"And all the tithe of the land, whether of the seed of the land, or of the fruit of the tree, is the Lord's: it is holy unto the Lord. . And concerning the tithe of the herd, or of the flock, even of whatsoever passeth under the rod, the tenth shall be holy unto the Lord."*—Leviticus 27: 30, 32.

- God's blessings follow obedience, divine condemnation follows those who fail to pay tithes. This was the warning of God to ancient Israel:

*"Ye are cursed with a curse: for ye have robbed me, even this whole nation. Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the Lord of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it."*—Malachi 3: 9, 10.

And in DC 64: 5 we read: *"Verily it is a day of sacrifice, and a day for the tithing of my people, for he that is tithed shall not be burned (at his coming)."*

- Explicit direction was given to the church in latter days. In response to a request as to how much of one's properties the Lord requires for a tithing, the following was given:

*"Verily thus saith the Lord, I require all their surplus property...and this shall be the beginning of the tithing of my people; and after that, those who have thus been tithed, shall pay one tenth of all their interest annually."* DC 106: 1.

- As already discussed, the tithe involves first the tenth of one's net worth, and after that one tenth of his increase annually. It is assumed that under the gospel covenant all are laborers together, men of business, of industry, as well as the men of the ministry, each according to his calling and his ability; and this is for the purpose of building the kingdom of God. Each is expected to give

according to the blessings of God unto him, whether it is talents or material possessions, for both are necessary to the work of the church.

### **When to Pay the Tithes**

- We should make tithing payments regularly while we have cash available, even though the payments must be made in relatively small amounts. The reasons for this are apparent:
  - 1) To God belongs the "first fruits" of our effort.
  - 2) When our tithe has been paid, we may reasonably expect the Lord's blessing to be with us, provided we do our best in the management of the other nine tenths.
  - 3) To delay tithe payment opens the way to temptation to spend what rightfully belongs to God. At least the amount spent for luxuries or nonessentials should be tithed as the money is spent.
  - 4) Careful accounting and regular payment of tithing is a fundamental requirement of stewardship. We must deal in a businesslike way with our Divine Partner.
  - 5) The weekly or monthly tithe payment in no way relieves us of the necessity of making out the first tithing statement (the inventory) or annual tithing statement. To those who take advantage of paying this way, it will preclude the necessity of making a large cash payment for tithes due at the end of the year.

The church is in great need of regular financial assistance, to continue its work and to carry forward its program. This need is so imperative that all are urged to share in the task. An immediate and full compliance with the law brings its own rich blessing to the church and to the individuals who meet its requirements.

### **The Surplus**

- The above direction leads us to a consideration of the consecration of a "surplus." A surplus exists when one has accumulated money or property more than he has need, even for reasonable security. Such a condition may frequently arise in prosperous times when individuals are industrious and frugal. Considering the relative needs of the church for funds or for property, anyone who has more than his needs may well consecrate of his surplus to the church.

The determination of whether or not one has a surplus is a joint responsibility of the individual or group concerned and the Bishop. Consecration of surplus is to make effective the functioning of the storehouse. Therefore, consultation should be had with the Presiding Bishopric as each case arises.

Here again is a powerfully refining influence available only to those whose life's motives have been changed by gospel obedience. The willingness to surrender

one's surplus for the use of the church, for the good of others, and the benefit of all, comes from a most benevolent and righteous impulse.

- Of the nature of the surplus, the Joint Council of Presidency, Twelve, and Order of Bishops in an action dated September 25, 1925, approved the following interpretation:

*"Surplus is that part of a man's possessions, whether moneys or properties, of which he has no present or immediate need; the word need being determined by the man's position, sphere of action, his business and his dependents."*

DC 106, given in 1838 provides some guidance concerning "Surplus" for those who were gathering at that time.

- Today the same condition exists when individuals are coming in Zion, especially when they enter into stewardship projects, where the group relationship affords greater financial security. That this was the intent of the revelation, Section 106, paragraph 2, states,

*"Verily I say unto you, it shall come to pass that all those who gather unto the land of Zion shall be tithed of their surplus properties, and shall observe this law, or they shall not be found worthy to abide among you."*

Evidently, the law contemplates that when men of means come to Zion they shall have so developed spiritually that they are willing to devote their surplus to the work of the church.

The contribution of the surplus to the church implies an obligation on the part of the church to manage it or use it in such a manner that adequate security may result to those who meet the provisions of the law. The financial policy of the church has met this in its provisions for conservative expansion, avoidance of debt, and the laying aside of adequate reserves.

The organization of the storehouse is dependent upon the successful operation of the law for consecrating surplus.

## **Offerings**

- In addition to the paying of tithing of one's possessions or his annual increase, and the consecration of surplus, which are clearly obligations to the Lord, there is also the possibility and opportunity further share in the work of the church through offerings. Offerings may be made from the nine tenths remaining of the net worth or the annual increase after the tithe has been paid, or it may be made in the spirit of willing sacrifice and self-denial of necessities. Such was made by the widow of Scriptural days who cast "two mites" into the treasury and received the warm commendation of Jesus. During the year there are repeated opportunities for making offerings to the general church.

The Sacrifice Offering may be introduced in when there are unusual needs in the church. During these periods, the Saints are urged to join in a spirit of devotion and sacrifice that the immediate tasks of the church may be

accomplished. However, sacrifice offerings should not be restricted to stated periods put forth by the church, but should be followed by individuals who feel the desire to sacrifice for the benefit of the church.

- The Oblation is an offering taken at the time of the communion service, and the inclusion of this offering as a regular part of the service has occurred during recent years. This practice comes definitely as a result of a resolution presented at General Conference in 1917 as follows:

*"It is the opinion of the Order of Bishops that every branch should comply with the law by receiving oblation at sacrament service, as found in Section 59: 2, and that the amount so received should be placed with the Bishopric in harmony with Section 42: 8."*

From the Oblation fund the needs of the worthy poor throughout the church are met. This is done in accordance with the ability of the church to meet such needs. When the church is in a fully organized condition, it is a general church offering not to be retained by the local congregations, but to be sent by the local branch solicitor with his report to the local bishop or bishop's agent, and through him remitted to the Presiding Bishopric. However, in our current state of disorganization, other methods of collecting and distributing are being used.

The Oblation is taken with the specific purpose of giving aid to the worthy poor of the church, so each request for assistance which comes is given careful consideration before aid from this fund is extended.

### **The Annual Accounting**

- Having met successfully the first requirement of the law, namely, the filing of our first tithing statement and the tithing due thereof—we are now ready for the second step, which shall thereafter be a continuous relationship with God—the keeping of an account of current income and expenditures, in order that a member will have an accurate basis at the end of the year for making an annual tithing statement.

### **Determining the Tithable Increase**

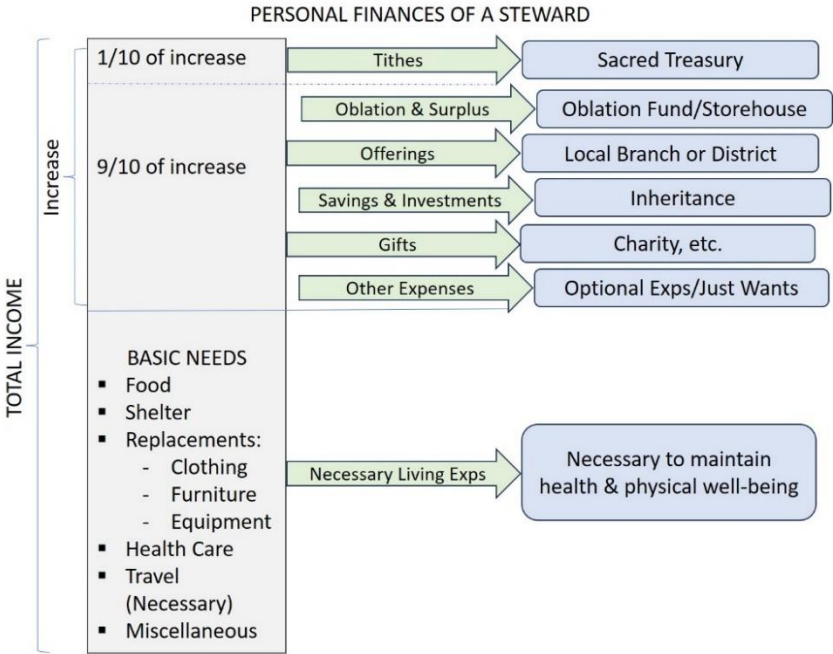
- After the first tithing statement (the inventory), has been filed, the annual tithable increase must be ascertained. A tithable increase occurs when the gross income, from whatever sources derived, exceeds the expenses considered reasonably necessary for health and efficiency.

The most accurate way for determining the annual increase is by keeping accounts—that is, recording income and expenditures. The other method, which is not so accurate but which proves the most satisfactory to some farmers, is the inventory method which means that an inventory will be taken annually and the value of it checked against the value of the previous year's inventory to determine the annual net increase.



The church highly recommends for such accounting the use of an income and expense record book. There are books available for that purpose if a member wishes to use one. These books can help a member to figure out the tithable and deductible items of expenses.

The following illustration shows a summary of the personal finances of a steward.



### Standards of Living

- A wise and faithful steward will not only choose to keep a record of all receipts and expenditures, but will endeavor to maintain a modest standard of living, in keeping with the ideals of the church, always considering his own expenditures in terms of the comparative needs of the work of the Kingdom, and other needs about him. It is obvious that anyone can easily expand his own expenditures until they consume all his income. He may even justify the expenditure as necessary" and so assume that he has no tithe to pay. It is at this point that consistent accounting becomes a powerful factor in character-building. One has no moral right to divert to his own uses the undivided increase. The law contemplates an honest accounting and a prompt payment of the tithe. We should be industrious, frugal, and earn all we can in righteousness, to live within our income, and to save, that there may be an increase to share with the Lord.

## SHARING THE FINANCIAL LAW

The outline which follows is a list of the basic concepts to be presented in telling the part of the gospel story which has to do with the temporalities and the social goals of the church. These basic concepts have been arranged in a suitable sequence. They may readily be shifted about and presented in a different order, but any presentation of the financial law to an unconverted person whether within or without the church should include all of these concepts. After each of the points listed in the outline, there are scriptural references or short quotations which may be used in supporting the basic concept. It should be the task of the minister, however, to use not only these supports for his position, but to furnish for himself other supporting statements, Scriptures, and illustrations which are within the range of the understanding of the prospective convert.

The term "prospective convert" is used here rather than the prospective member" because it is expected that priesthood members will be trying to convert to the financial law many who are already members of the church in name, but who are yet unconverted as to this part of the philosophy of Christ. The unconverted, whether members or nonmembers, should all understand these basic concepts. When a minister succeeds in persuading a person to think of these concepts as true, and has won a decision to live by these concepts, he can say he has "converted" someone to the financial law.

- I. GOD IS CREATOR.
  - A. "The earth is the Lord's, and the fullness thereof." —Psalm 24: 1.
  - B. "The cattle upon a thousand hills" are his." —Psalm 50: 10.
  - C. "I have made and prepared for my creatures." —DC 101: 2 c.
  - D. *References:* Gen. 1: 3; Neh. 9: 6; Isa. 45: 12; DC 12: 5a; DC 17: 4a.
  
- II. MAN IS A STEWARD.
  - A. "And I, God, said, Let them have dominion...over all the earth." —Gen. 1: 28.
  - B. "I, the Lord,...make every man accountable, as stewards over earthly blessings" —DC 101: 2 c.
  - C. "Every man shall be made accountable unto me a steward over his own property." —DC 42: 9 b.
  - D. *References:* Luke 16: 1, 2; DC 118: 4c; Luke 16: 10-12; Acts 4: 32; Matt. 25: 14-21.
  
- III. MATERIAL THINGS ARE TO BE EARNED.
  - A. "By the sweat of thy face shalt thou eat bread." —Gen. 3: 25.
  - B. "For it is he that giveth thee power to get wealth." —Deut. 8: 18.

- C. "In time ye may be enabled to purchase lands for an inheritance." —DC 48: 2a.
- D. *References:* I Tim. 5: 8; DC 42: 14a; DC 42: 12a-b.

IV. MATERIAL THINGS ARE TO BE POSSESSED BY INDIVIDUALS.

- A. "They shall sit every man under his vine and under his fig tree." —Mic. 4: 4.
- B. "Every man shall be a steward over his own property."—DC 42: 9 b.
- C. "For the right of inheritance is thine." —Jer. 32: 8.
- D. *References:* DC 42: 14 a; DC 51: 1.

V. CHRIST IS INTERESTED.

- A. "Render therefore unto Caesar." —Matt. 22: 21.
- B. "Give us this day, our daily bread."—Matt. 6: 12.
- C. "I am come that they might have life."—John 10: 10.
- D. *References:* Matt. 6: 11; 21: 42, 43; Luke 16: 1-12.

VI. MEN SHOULD ASSIST.

- A. "Men should be anxiously engaged in a good cause." —DC 58: 6 d.
- B. "On earth, peace; good will to men."—Luke 2: 14.
- C. "For we are laborers together with God."—1 Cor. 3: 9.
- D. *References:* DC 119: 8 b; Matt. 20: 1-2; DC 4.

VII. WE RECOGNIZE PRINCIPLES AND RULES.

- A. "For as he thinketh in his heart, so is he."—Prov. 23: 7.
- B. "Every good gift and every perfect gift is from above." —James 1: 17.
- C. "Wherefore, settle this in your hearts." —Luke 14: 28.
- D. *References:* Psalm 37: 5; John 8: 32; Luke 12: 34, 37; Rom. 8: 6; Matt. 12: 30; Gal. 6: 7; 11 Cor. 9: 6.

VIII. WE MANAGE OUR PORTION WELL.

- A. "A faithful, a just, and a wise steward." —DC 51: 5b.
- B. "Carry into active exercise the principle of repression of unnecessary wants" —DC 130: 7 d.
- C. "Being temperate in all things whatsoever shall be intrusted to his care." —DC 11: 4 b.
- D. *References:* Matt. 24: 51-55; Matt. 25: 22, 23; Luke 16:10-12; 1 Cor. 4: 2.

IX. WE ACKNOWLEDGE OUR ACCOUNTABILITY.

- A. "For it is required of the Lord, at the hand of every steward." —DC 72: 1 c.
- B. "Give an account of thy stewardship."—Luke 16: 2.
- C. "For according to the law every man that cometh up to Zion must lay all things before the bishop in Zion." —DC 72: 3 e.
- D. *References:* DC 101: 2c; Matt. 21: 42, 43; DC 118: 4c.

- X. WE TITHE OUR INCREASE.
- A. “[They] shall pay one tenth of all their interest annually.” —DC 106: 1b.
  - B. “Thou shalt truly tithes all the increase of thy seed, that the field bringeth forth year by year.”—Deut. 14: 22.
  - C. “And it was this same Melchisedec to whom Abraham paid tithes of one tenth part of all that he possessed.”—Alma 10: 8.
  - D. *References:* Gen. 14: 20; Gen. 28: 20-22; Luke 11: 43; D, and C. 114: 1, 2.
- XI. WE SACRIFICE WITH UNDERSTANDING.
- A. “Gather my saints together unto me; those that have made a covenant with me by sacrifice.” —Psalm 50: 5.
  - B. “It is a day of sacrifice, and a day for the tithing of my people.” —DC 64: 5a.
  - C. “Exercise the principle of sacrifice and repression of unnecessary wants.” —DC 130: 7d.
  - D. *References:* DC 94: 2 f; DC 124: 8b; Luke 21: 1-4.
- XII. WE CAN DO MORE TOGETHER.
- A. “The church is admonished again that joint responsibility is laid on all.” —DC 141: 8a.
  - B. “Also, the body hath need of every member.” —DC 83: 21b.
  - C. “And if thou obtainest more than that which would be for thy support, thou shalt give it unto my storehouse.” —DC 42: 14b.
  - D. *References:* DC 36: 2h; DC 70: 2b; Acts 4: 34; Deut. 16: 17; DC 81: 4g.
- XIII. YOU ARE INVITED!
- A. To enlist as a builder.
  - B. To share in his plan.
  - C. To help build his kingdom.
  - D. *References:* Rev. 3: 20; Matt. 7: 12, 13; James 1: 5; Matt. 11: 29, 30; John 3: 3; Matt. 16: 28; Matt. 6: 38.