

Council on the Disposition of Tithes, are reviewed, checked to make certain the request is within budget, and appropriated. Expenditures that have been delegated are reported to the committee.

**FINANCIAL CONTROLS.** Financial controls are administered through the use of financial policy, budgeting, organization structure, and regular, comprehensive audits. Key financial policy comes from the Council on the Disposition of Tithes. Additional financial policy and procedure directives are issued by the Finance and Records Department, which, under the direction of the First Presidency and the Presiding Bishopric, is responsible for the administration of treasury accounting/controllership, taxation, and risk-management functions.

The Church has an Audit Committee composed of experienced businessmen who are not associated with the Church as employees or General Authorities. This committee reports directly to the First Presidency of the Church and works closely with the Finance and Records Department and the Auditing Department to ensure strict adherence to ethical principles and rigid financial policies and procedures. The Auditing Department also reports directly to the First Presidency of the Church and thus maintains its independence from all other departments. Its staff of certified public accountants performs ongoing audits of finance, operation, and computer systems for Church departments and other Church-controlled organizations. Responses to all audits are required and are monitored.

**PARTICIPATION AND INVESTMENTS IN BUSINESS.** The First Presidency has established other boards and committees to oversee the management of the Church's investments and reserves (*see* BUSINESS: CHURCH PARTICIPATION IN). Each of these key committees is chaired either by a member of the First Presidency or by another appointed General Authority.

The Investment Policy Committee is chaired by the First Presidency and includes the president of the Council of the Twelve, other members of the Twelve as appointed, and the Presiding Bishopric. Its purpose is to establish investment policy and strategy and to review key investment decisions.

The Deseret Management Corporation (DMC) is a corporation with its own board of directors. DMC functions as a holding company for

most of the commercial businesses owned by the Church. These companies pay all taxes that are paid by commercial corporations. Some properties are also held for reasons other than investment. In addition to protecting the surroundings of sacred properties, such investments may be maintained to support the ecclesiastical efforts of the Church.

The Church still holds a few properties that were originally established to support commerce in LDS communities (*see* ECONOMIC HISTORY OF THE CHURCH). However, as a result of an evaluation of these holdings and their contributions to its mission, the Church has divested many such holdings.

#### BIBLIOGRAPHY

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## FINANCIAL CONTRIBUTIONS

Members of the Church may make financial contributions in several ways, including payment of TITHING, donation of FAST OFFERINGS, and contributions to missionary work. Each kind of contribution is directed to a specific purpose and is based on admonitions in both ancient and modern scriptures (Mal. 3:8; D&C 119:4; cf. 2 Chr. 3:5–12; Rom. 15:26).

The payment of tithing is expected of each member regardless of age, income level, or circumstance. Faithful Latter-day Saints contribute one-tenth of their income annually to the Church. Members consider these tithing funds to be sacred monies, and leaders carefully administer their expenditures at each level of Church organization. Tithing is used to pay most of the operating expenses of the Church and also now funds the construction of buildings, including meetinghouses and temples.

Fast offerings are a second kind of financial contribution expected of all Church members. Once each month Church members are to abstain from food for at least two meals and contribute the cash equivalent of the savings as a "fast offering" to assist the poor and needy. These contributions are dispersed on both a local and Churchwide basis;

they are shared as needed throughout the Church and are available to local bishops for the aid of needy persons in their wards. In extraordinary circumstances, as in the case of the 1985 Ethiopian famine, the Church has called a special fast to raise relief funds for a specific disaster (*see* ECONOMIC AID; HUMANITARIAN SERVICE). For many years, the value of the two meals foregone during the fast determined the amount of the monthly fast offering contribution. Today Church leaders suggest that the amount of the voluntary offering be associated less with the value of the two meals and more with ability to respond generously to need.

A third kind of contribution made by Church members supports missionary work, a major activity of the Church that is financed largely by individual families. Young men and women can be “called” on missions, usually at the ages of nineteen and twenty-one, respectively, and are responsible for most of their own financial support, including food, rent, clothes, and local transportation. Major travel expenses and medical care are provided from Church funds. Parents and Church leaders urge young people to begin earning and saving money for their missions at an early age. Contributions from parents, family members, and friends supplement the missionaries’ own funds to make up the total financial support required. Beginning in 1991, support for missionaries called from North American stakes is donated directly to the Church at uniform rates, but redistributed by the Church to missionaries according to varying costs of living in different areas of missionary service. Married couples may also be called to serve missions, and they, too, are responsible for their own financial support.

Members confidentially submit tithing and other donations to their local BISHOPS. Each ward bishop receives tithing and then remits it to central Church offices. Assisted by financial clerks, bishops provide contribution slips to donors and maintain complete records. They also review contribution summaries confidentially with each member once a year. Contribution records are forwarded to Church headquarters in accordance with uniform practices. Stake officers conduct regular audits of these records and practices.

Bishops, assisted by other ward leaders, prepare and submit annual ward budgets to be approved by stake presidents (*see* WARD BUDGET). Funding levels are determined by the membership and activity level of the ward. One outcome of this procedure is that local expenditures are deter-

mined by local need and not by the resources of members in a particular ward.

Until 1990, ward operating budgets were mostly dependent on contributions from local members made in addition to regular tithes, fast offerings, and missionary fund contributions. Youth and adult activities, instructional manuals and equipment, and building maintenance were funded locally. Since 1990, in North American stakes tithing paid by Church members is used to fund all local programs, activities, and maintenance of physical facilities. Members perform some maintenance functions as a voluntary service.

The method of funding construction of Church buildings has also varied considerably over time. For many years, the building of meetinghouses was financed largely through contributions from the local members who would use the building. These building fund contributions were made in addition to the tithes, fast offerings, and missionary funds contributed by Church members. Building fund monies could be raised through request (assessment of members), through a variety of fund-raising projects (dinners, socials, etc.), and sometimes through donations of labor and materials (*see* BUILDING PROGRAM). Temples, which are buildings for special religious ceremonies, were financed for many years in much the same manner as local meetinghouses. Now meetinghouses and temples are constructed largely out of tithing funds.

Because the Church has no professional clergy, it is administered at every level through LAY PARTICIPATION AND LEADERSHIP, and officials other than the General Authorities contribute their time and talents without remuneration. Thus, events such as weddings, funerals, and baptisms are conducted by the lay ministry in Church-owned buildings at no charge to the member for services or facilities. Because the General Authorities are obliged to leave their regular employment for full-time Church service, they receive a modest living allowance provided from income on Church investments.

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## FINE ARTS

*[Historically, the fine arts have been important to Latter-day Saints, who have encouraged participation in, and provided support for, art, dance, drama, litera-*