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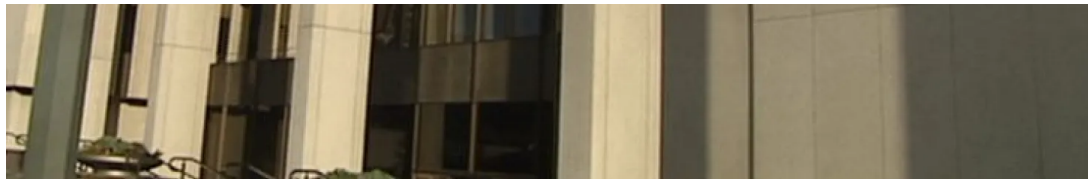
# Church presiding bishop details how tithing and donations are used

'It's about building a reserve of the church, and ultimately, all of those funds will be used for church purposes,' Bishop Gérald Caussé says

By Tad Walch | Dec 20, 2019, 5:38pm MDT

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SALT LAKE CITY — The Church of Jesus Christ of Latter-day Saints published three videos by church leaders and a summary Friday of the ways it uses tithing and donations, saying its approach was misrepresented in recent media stories about a former church employee who filed an IRS complaint about the church’s financial reserves.

Presiding Bishop Gérald Caussé, who helps manage the faith’s temporal affairs, offers a response in the videos to a report earlier this week that the church has a reserve fund of \$100 billion.

“It’s about building a reserve of the church, and ultimately, all of those funds will be used for church purposes,” he said. He added that investing the reserves is intended to make sure their value increases to be used in the future for the same purposes.

The summary provided with the videos said that aid given to individual church members

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The summary did not provide a dollar figure for the annual expense. However, the church has not previously published any figure to describe the aid distributed within its 30,500 congregations. The volunteer bishops and branch presidents who lead the faith's congregations use funds from the church's welfare program to help men, women and children both inside the church and out with food, housing and other needs on a daily basis.

The summary provided with the videos said the church directs tithing and donations to provide humanitarian aid in 197 countries, build and maintain temples that connect families, fund the construction and maintenance of meetinghouses and supports a global program of 399 missions and 65,000 missionaries, according to the summary.

The church also provides funds for the religious and university education of 793,000 students each year.

“The sacred funds donated by members of The Church of Jesus Christ of Latter-day Saints are an expression of faith, devotion and obedience to the biblical law of tithing and a desire to build Christ's church through living the two great commandments to love God and neighbor,” the summary said.

Earlier this week, The Washington Post published a story about a former employee of Ensign Peak Advisors, an entity that invests the church's tithing reserves. The income derived from those invested tithing funds is tax-exempt because Ensign Peak is what the IRS calls an integrated auxiliary and supporting organization of The Church of Jesus Christ of Latter-day Saints. Nonprofit groups, including religious organizations, are exempted from paying taxes on income in the United States.

The former employee, David A. Nielsen, alleged Ensign Peak should not be tax-exempt, because he claimed it has not met minimum IRS regulations for using a percentage of its funds annually for religious, educational or charitable purposes. His twin, Lars Nielsen,

against the church.

Lars Nielsen also posted documents online that he said his brother took or copied from Ensign Peak before he resigned in September.

The documents purported that Ensign Peak's holdings have increased from \$29 billion in 2008 to between \$99 billion and \$101 billion today. The vast majority of that increase is tax-exempt investment earnings.

The church denied any wrongdoing.

"The church complies with all applicable law governing our donations, investments, taxes and reserves," it said in a statement on Tuesday.

An IRS employee in the agency's media relations office declined to comment Friday, and directed the inquiry to a page on the IRS website.

"The IRS cannot advise you of any action it has taken or may take in response to a complaint," the page said. "The confidentiality and disclosure provisions of the Internal Revenue Code preclude the Service from discussing matters relating to any activity it might

officers or authorized representatives of that entity. These provisions were enacted by Congress to protect the privacy of all taxpayers.”

The page said the IRS maintains an active examination program to ensure that tax-exempt organizations meet the requirements imposed by the Internal Revenue Code.

Independent tax experts have told multiple publications the IRS is unlikely to act on the complaint.

“There is not much of a case,” Peter J Reilly, a certified public accountant, wrote in Forbes. “The argument is that a private foundation is supposed to distribute 5% of its assets. Ensign (Peak) is not a private foundation. It is an integrated auxiliary of a church. And there is nothing in the tax law that prevents churches from accumulating wealth.”

Reilly quoted two other tax experts who said the allegations do not appear to violate tax laws and don’t warrant IRS attention. One said the IRS would not investigate the Niensens’ claims that the Ensign Peak fund does not sufficiently support a religious purpose.

“The IRS does not attempt to question the beliefs or purposes of churches unless extreme,” said Paul Streckfus of the EO Tax Journal.

One of Bishop Caussé’s counselors, Bishop W. Christopher Waddell, said the reserve fund is diversified and follows the same principle the church teaches its members.

“They should live within their means and little by little they should have a financial store of savings, reserves for a rainy day,” he said. “That’s exactly what the church does.

“The church has a budget, again from the faithful tithes and offerings of members of the church, and every year is budgeted portion to set aside for that rainy day that grows to be used so that, if hard times economically do come again, and they will — over time we know there are cycles — that we will have the resources necessary to continue doing this divine work. We won’t have to stop missionary work. We won’t have to stop temple work. We won’t have to stop doing the things we have been commissioned to do because of a lack of resources. That’s why we care for them so carefully.”

Some church members have said they are glad to see the church is financially sound and

“I just noted that my church has \$100 billion safety fund,” Sen. Mitt Romney, R-Utah, told a reporter. “I’m happy that they’ve not only saved for a rainy day, but for a rainy decade.”

The third member of the Presiding Bishopric, Bishop Dean M. Davies, said church leaders are grateful for the tithes and donations made by members.

“We’re so careful, so very, very careful to make certain that those funds are expended in a way that they would feel good about,” he said.

Others have questioned the fund’s size and purpose.

For example, the Niensens and others have noted that Ensign Peak’s holdings are more than double the size of the \$41 billion endowment fund at Harvard University, the nation’s largest. Harvard provides financial aid to 70 percent of its nearly 20,000 students.

The summary the church released Friday showed it has nearly five times more students in its colleges and universities and 40 times more students overall.

The church heavily subsidizes the tuition and costs of 100% of the combined 93,000 students at the faith’s five colleges and universities.

Its Seminary and Institutes program provides free, daily religious instruction to about 400,000 high school and 300,000 university students annually.

Friday’s summary included other details, many of which have been reported before.

- Latter-day Saint Charities has provided \$2.2 billion in aid in 197 countries since 1985, as reported earlier this week by the Deseret News.
- Tithing funds are used to operate the church’s 166 operating temples. Another 15 temples are under construction, and plans have been announced to build an additional 36 for a total of 217. The genealogical work that surrounds each temple is supported by FamilySearch, the faith’s nonprofit organization that offers free genealogical resources to all.
- Its meetinghouses provide not only space for Sunday worship services and activities during the week, they host community education courses and family history research and support emergency response activities when necessary.

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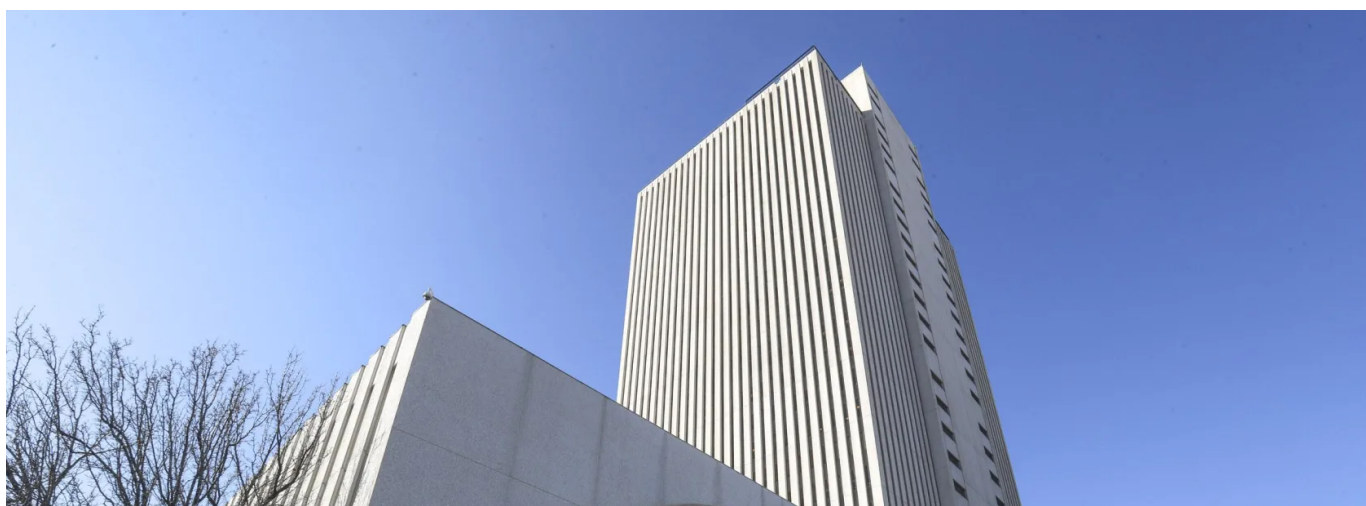
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