CFO Forum Executive Summary

March 20-21, 2018

Nazarene Global Headquarters

Lenexa, Kansas

Present: Bruce Crabtree, Churches of Christ in Christian Union; Jo Lammey, Free Methodist; Walter Fuge, Salvation Army; Abby Hewitt, Church of God; Kevin Batman, Wesleyan Church; Kathy Kruse, Nazarene; Kevin Brunk, Nazarene; Keith Cox, Nazarene; and Ron Duncan, GWA Executive Director.

The group began at noon with lunch provided in the conference room. Keith Cox provided a devotion from 2 Chronicles 2:1-10 with the emphasis on building the temple for God and what we do today in our ministries.

Each member shared about what is happening with them personally and in their ministry assignment.

Walter Fuge announced he will be retiring September 1st of this year after 46 years with the Salvation Army. The group gave thanks and appreciation for Walter’s contributions to these forums as well as his service to the kingdom of God through the Salvation Army.

Fourteen questions had been sent to each member as possible topics for discussion. During the first break each member picked their top three questions and marked them on the group sheet. Discussion then followed on these areas of interest.

**What role will “outsourcing” play in the near future?**  Discussion followed indicating that almost all in the room were already “outsourcing” some function within the CFO areas of responsibility. The areas included accounts payable, payroll, HR, IT management, software, media services, health care, and pension management. The reasons for outsourcing were economic benefit, better product, and lack of expertise within the organization.

The future of outsourcing will be driven by the market and what is offered as well as donor services required. Numerous software products were discussed with the pro’s and con’s of each product. Being able to touch an entry one time is of great value whether it is an accounting entry or a donor contribution entry.

**What are the greatest challenges coming to your organization within the next three-five years in the area of your responsibility?** This question evoked a lot of discussion. It seems that most are struggling with the change in our culture about supporting the “General Fund.” General Fund meaning the basics needed to keep the doors open for the ministry to occur. With the hype of designated giving and wanting to see your dollars make a transformational impact, the need for providing a framework is not as enticing. The central issue is how to communicate to donors in an effective way that the framework is essential in order that ministry can occur. All groups seem to be struggling in this area. Each seemed to understand that the message was doing more with less.

The next challenge was the area of cyber security. This is especially a concern with international transactions and what it requires in order to get the resources to the right location on time.

The third challenge evolved around personnel and being able to attract quality persons in terms of skill sets and experience at what the ministry can afford to compensate. The next part of this challenge is getting to know your staff, especially if you have inherited them, and what their skill sets are. Numerous suggestions were provided like strength finders, etc.

We then moved to the next question, **“What impact will the new tax code have on your organization?”**

After a brief discussion about what does it actually say, several observations were made. No one knows for sure, but the indicators are that educational institutions may take a greater hit than the religious sectors. Secondly, since the average donor within the US is within the $3,000-$4,000 range annually the $24,000 for married couple standard deduction will probably have no impact on them.

**What are the best practices for reaching out to millennials about Biblical stewardship?**  The overwhelming choice was the trip to provide context for the giving and the face to face contact with the area of need. The second idea was the money management small group which builds understanding with Biblical stewardship.

The group participated in a guided tour of the Nazarene Headquarters and learned some Nazarene history. We then departed for dinner sponsored by the Nazarenes.

WEDNESDAY-8:30AM

We started with devotions from John 13.35 led by Ron Duncan. We continued our discussion of the questions we had identified on Tuesday as areas of special interest.

**What has been the best innovation you have applied this year?** This was a time for each person to brag about what they had done and perhaps encourage someone else with an idea. Changing software accounting systems to better serve donors was named by several. Several systems were identified with comments about each. Keeping track of the desires of donors continues to be a challenge coupled with the impact of each project.

The group also noted limited resources for performing financial reviews/audits and discussed using Enterprise Risk Management (“ERM”) to: a) identify elevated levels of risk within the various activities of the organization; b) apply risk mitigation techniques to reduce risks of those activities that exceed the organization’s “risk appetite,” and; c) measure and monitor the residual risk (risk left over after applying mitigation techniques). Since each organization has limited resources for performing financial reviews/internal audits, identifying those areas with heightened levels of risk is also important for focusing the limited audit resources where they have the maximum impact.

Tracking and monitoring hundreds of projects plus trying to assess impact is a difficult task. A large part of the CFO’s function is to ensure that the deployment of funds aligns with the organization’s overall strategy. The longer a project continues creates risk for mission creep.

The CFO responsibility in the past was to monitor the addition and subtractions of funds in their proper categories. Today’s CFO responsibility has broaden to include more fiduciary oversight of the entire operation within the entity. This has brought new challenges and opportunities. How the CFO relates and influences the key leadership of the organization is a growing area. CFOs have been viewed by many as only interested in the facts and numbers while the key leadership is working by faith and vision. How these two leadership positions interact is a key relationship for developing the organization.

Brand management, creative access countries, and block chain also received some discussion prior to the ending of the session.

NEXT steps: The group decided they would like to meet again next year and would like to bring to the meeting IT, Controller, Accounting Manager, HR, and Global Finance persons. Each entity would determine the team they would send. Abby Hewitt of Church of God Ministries invited the group to Anderson, Indiana. The date chosen was March 11-12, 2019 beginning and ending at noon. The group gathered for a picture and then had lunch before departing.

Respectfully submitted,

Ronald V. Duncan, Executive Director

Global Wesleyan Alliance