

Strategic Response and Future Planning for Capital Rivers Church Special Missions Contributions

Summary Statement, May 15, 2024

Doug Dillon, Chairman of the Church's Board of Directors, addressed the Capital Rivers Church (CRC) regarding: 1) 2022 Special Contribution meant for the South Asian Missions Society (SAMS), which we recently discovered has not yet been fulfilled; 2) the Board's plans to rectify this by immediately sending out the 2022 funds, thus doubling Special Contribution in 2024; and 3) adjusting our 2025 contribution strategy to build capital reserves, ensuring CRC financial stability and the ability to meet future needs.

Background

CRC traditionally supports South Asian churches through our annual Special Contribution, most of which is contributed via SAMS. However, changes in Indian law in 2022 increased SAMS' difficulty of safely and legally transmitting funds to Indian churches, resulting in a temporary stoppage of the flow of funds. Our contribution of \$143K for 2022 was not disbursed to SAMS as intended but remains in our Missions fund waiting to be disbursed to SAMS. CRC administrator STS Consulting brought this to our attention recently.

• **Key Points:**

- The donated funds from 2022 remain whole and restricted for their intended purposes.
- Changes to India's laws in 2022 required Indian churches to reform their organizational structures to be compliant. Grants by SAMS to India were temporarily halted to allow time to catch-up and comply with Indian law and U.S. anti-terrorism statutes (since resolved).
- The Board's immediate rectification plan is to send the full \$143K amount to SAMS.

Impact on SAMS Churches

Javier Armendariz and Matt Stuckey, CRC's current and previous representatives on SAMS' board, relayed information on SAMS' behalf. It was noted that many churches were unable to donate to SAMS in 2022. Increased difficulty safeguarding funds for Indian churches led American churches to conservatively hold funds in the USA until needed. Despite 2022 shortfalls, the South Asian churches managed to continue operations through their reserves. SAMS is not requesting that CRC make up for the missed donation.

Board Apology and Correction Plan

The Board apologizes for not becoming aware of this sooner. Although SAMS is not seeking to have CRC make up the 2022 donation, the Board voted to send the full \$143K to SAMS now. Assuming we reach our \$120K goal, \$90K of the Special Contribution collected in 2024 (\$24K through April 30), will also be sent to SAMS by year-end, basically doubling our typical annual contribution to SAMS during calendar 2024.

Contingency Plan

Given some potential financial challenges, the Board decided to focus on building our capital reserves in 2025 by suspending the Special Contribution drive for a year and replacing it with a similar drive for our unrestricted Regular Contributions. This plan prepares for unforeseen needs, including the possibility of needing additional staff or other financial concerns without compromising our commitments to SAMS.

• **Future Plans:**

- Increase capital reserves as a buffer against potential financial challenges.
- Set a goal of \$120K for a 2025 "Regular Contribution" drive (in lieu of Special Contribution).
- Use raised funds flexibly for unforeseen needs or further church development.
- Resume our normal Special Contribution beginning in 2026.

Conclusion: In summary, we'll immediately transfer the \$143K of 2022 funds to SAMS, thus doubling our Special Contribution for 2024. In 2025, we will suspend Special Contribution, instead raising unrestricted funds for local CRC needs. We will then return to normal Special Missions Contributions starting in 2026.