

“Stewardship Checkup” – Overview

2/1/2020

<http://www.waldoavenuerestorationbranch.org/docs/StewardshipCheckup.pdf>

Week 1

(Forms: “How Long to Keep Tax Records”)

Add up income and expenses for the previous year (or years).
Review and update your system for tracking expenses and keeping receipts.
Make a goal to improve your spiritual condition this year.

Week 2

(Forms: “Budget/Spending Plan,” “Inventory of Savings”)

Create formal “spending plan” (budget) for this coming year.
Consider budgeting and saving goals for the year, as well as charitable giving.
Plan a book or topic to use for your scripture study.

Week 3

(Forms: “Tithing Statement,” “Debt Snowball”)

Complete tithing statement for past year(s).
Fill out the Debt Snowball, if you have any consumer debt.
Prepare for income tax filing.
Consider your “stewardship of time.”

Week 4

Review your estate planning (will, trust, retirement).
Review your existing investments, or create a new plan for investment.
Review your family’s emergency preparedness plans.
Consider how you could reach out to others with the good news of the gospel.

For forms that you can use, see <http://www.waldoavenuerestorationbranch.org/finance.html>

“Stewardship Checkup” – Week 1

This month, we will be giving some weekly suggestions that you can put into practice to improve your stewardships. If you have questions, contact the priesthood for assistance. For forms that you can use, see <http://www.waldoavenuerestorationbranch.org/finance.html>

1. Add up income and expenses for the previous year (or years).

To calculate tithing as 10% of net increase, you need a record of both income and expenses. We will come back to the tithing statement in Week 3. This may also be useful for getting started with income taxes, and also with making a budget (which we will discuss in Week 2).

If you can't get exact figures, do the best you can to estimate income and necessary expenses. It's better to use an estimate than not to do it at all. For tithing purposes, necessary expenses generally include:

- Housing (interest, property taxes, repairs, insurance, rent, utilities)
- Food, transportation, replacement items
- Personal needs, medical, taxes
- *Not* investments, including education and (typically) the principal on a mortgage.

Going forward, it is good practice to keep your receipts for the purpose of recording. Some receipts also need to be kept for certain lengths of times for tax purposes.

2. Review and update your system for tracking expenses and keeping receipts.

If you're comfortable with computers, consider a computer-based program to record income and expenses. Or keep an accounting on paper, if that works better for you.

See the sheet “How Long To Keep Receipts?”

- If you don't have something in place already, consider creating a set of labeled file folders for each type of receipt. Label them with how long each one should be kept. (For instance, keep tax records and supporting receipts 3-7 years.)
- If you *do* have a system for keeping receipts, now is a good time to review old receipts and discard (or shred, or burn) the older ones.

3. Make a goal to improve your spiritual condition this year.

Choose one area of your spiritual life that could use some improvement, and make a goal to improve this year. Maybe it's study, prayer, fasting, or some area of personal accountability. Here are some ideas:

- Commit to studying or praying a certain length of time and/or certain time each day.
- Commit to fasting each week (maybe certain days or certain meals regularly).
- Identify an area of personal weakness and make a plan to improve. Maybe you can choose to make a better response to life's stresses or a certain area of temptation. Plan ahead how you will begin to act or respond differently.
- Write down your goal and put it somewhere that will hold you accountable.
- Some people like to choose a single word that they will focus on this year.

“Stewardship Checkup” – Week 2

Last week, we encouraged organizing your financial recording so you have a categorized record of actual income and expenses for the past year(s). This week, we will focus on planning. You need to understand the past spending pattern in order to better plan for the future.

1. Create formal “spending plan” (budget) for this coming year.

If you were making a trip to Africa, you wouldn’t just arrive at the airport with a *general idea* of your plans. You would make a *specific, written plan* – which airlines and flights, how much they cost, how you will pay for them, departure and arrival times, who will meet you at the airport, lodging, transportation, and what you plan to see. You would make plans in case of emergency – leave contact numbers with relatives, take cash plus a few different credit cards in case one doesn’t work, find out ahead of time what sort of immunizations you need, and have contact information for the U.S. Embassy in case you need it.

The saying goes, “If you fail to plan, you are planning to fail.” Yet, most of us don’t have a specific, written plan for our finances and how we intend to fulfil our stewardship responsibilities. We may have a general idea, which often works okay for us (except when it doesn’t); or worse, we just spend, hoping we will have enough and that the checkbook will balance at the end. We experience an “emergency” when Christmas purchases or tax time comes around, even though they fall on December 25 and April 15 every year.

Use the “Monthly Cash Flow & Spending Plan” to make a careful plan for your money for *this month*. Although most months are probably similar to all the others, what about the once or twice a year insurance payment? Or that big purchase that you put on credit card last month? Consider ways to trim the budget to free up more money for what’s really important to you.

2. Consider budgeting and saving goals for the year, as well as charitable giving.

In your spending plan, remember not only regular expenses, but planned savings as well.

- Do you have a minimum \$1000 in the bank for an emergency fund?
- How about setting aside 3-6 months’ expenses, in case of an unexpected financial event?
- You probably have a large purchase coming up, so start saving a little each month for it.
- Your car will need repairs or eventual replacement. Wouldn’t it feel empowering to have money set aside in the bank, so you can buy that next car with cash?
- And don’t forget charitable giving – God wants us to be good stewards in terms of managing our money. But he also wants us to be financially stable, so that we can express the grace of God by being generous to others. What organizations, or causes, or individual charitable giving do you plan to do this year out of your surplus?

3. Plan a book or topic to use for your scripture study.

Last week, we encouraged you to make a spiritual goal for the year and write it down. One area of planning that may help is to plan what or how you will study the scriptures. Sometimes you may be unsure what to study, so you don’t get started studying at all, or aren’t effective at it. Decide on one (or several) things you will focus on this year for scripture study. This might be a book of scripture, or a topic, or a published Bible study resource.

“Stewardship Checkup” – Week 3

1. Complete tithing statement for past year(s).

“It is required of the Lord at the hand of every steward to render an account of his stewardship... These things shall be had on record to be handed over unto the bishop in Zion” (D&C 72:1c,f).
“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” (D&C 106:2a).

Use annual tithing statement to record income & expenses. Calculate tithing due for each year.

- If you don’t know exact figures but can estimate them, do the best you can.
- “Necessary expenses” includes things necessary for living, such as taxes, insurance, rent, utilities, food, transportation, medical, repairs, and replacement.
- But in some cases, the initial purchase of new items is adding to your “net worth” (or surplus) and should be considered titheable (i.e., in the “non-necessary” category), even if it may technically fall into one of the above categories.
- For instance, rent is necessary. But purchasing a home gives you a net asset. Selling that home for another home twice as expensive doubles the net value of your home, so the net amount (minus improvements made) is surplus.
- *Necessary vs. non-necessary.* Is it necessary to eat out at restaurants rather than making your own food? (In some cases, the answer may be yes.) Is it necessary to pay for unlimited data and Netflix on your cellphone plan, under the category of “utilities”?
- Consider including some of the above expenses as “non-necessary,” if they are really discretionary spending that aren’t necessary for living.
- *Initial Tithing Statement.* If you have never filed tithing, or if it’s been so long that you can’t catch up, use the Initial Tithing Statement. This form takes into account the surplus you have accumulated, so tithing due is 10% (minus tithing you have paid in the past).

2. Debt Snowball

If you have any consumer debt, use the Debt Snowball form to write down all debts, *beginning with the smallest amount* down to the largest amount. Plan in your budget to make payments on all you can, but work hard to pay off in full the smallest first. Then (as a snowball rolling downhill), roll the payments that you were making on that debt into the next one, and so on. (If you have a debt with extraordinarily high interest, it may require some additional attention.)

3. Prepare for income tax filing.

Make a file to hold all your end of year tax-related statements that come in the mail, so they will be ready for tax filing. Prepare your record of income and deductions from last year for your tax preparer. Reviewing your tax situation—if you pay a lot (or get a large refund) in income taxes, you may want to adjust your withholding to make it come out closer to the right amount.

4. Consider your “stewardship of time.”

What if you applied the concept of tithing to your stewardship of time? Everyone’s income is the same—24 hours (1440 minutes). Subtract necessary “expenses” (sleep, 8 hours; job, 8 hours; food/preparation, 2 hours; miscellaneous necessary, 2 hours). What is your “surplus” time? Is it 4 hours? Or 8 hours? Do you give to the Lord 10% of that time every day (minimum)?

“Stewardship Checkup” – Week 4

“A prudent man foreseeth the evil and hideth himself; but the simple pass on and are punished. By humility and the fear of the Lord are riches, and honor, and life” (Prov 22:3-4).

1. Review your estate planning (will, trust, retirement).

Do you have plans in place for retirement or long term care? If something happens to you, do you have plans for what will be done to take care of your family, distribute your assets, etc.? We have people in the church who are financial advisers, who can help with these issues. There is also Thrivent, which is a Christian organization that offers financial guidance and information.

- Retirement savings
If you are young or middle-aged and still working, you should be saving for retirement. Many employers offer tax-deferred saving options such as:
 - * 401(k) (pre-tax dollars, but all money is taxable in retirement);
 - * Roth IRA (deposits come from after-tax money, but all interest is tax-free);
 - * 403(b) for education organizations; 457(b) for government employees;
 - * or other options, such as a traditional IRA. Some companies still offer pensions.Typically funds must be used after retirement, or else taxes and penalties may apply.

- Will
Did you know that if you don't have a will, your estate will probably be tied up in probate court after you die? This leaves your family to deal with the hassle, and the money may be distributed in ways that aren't according to your wishes.
 - * If you have a will, how recently have you reviewed it? Maybe it needs to be updated to reflect changes in your current life situation.
 - * Does your will specify the correct beneficiaries?
 - * If you have dependent children, your will should specify who will have custody of them if you and your spouse both die. Specify two or three options in case one can't do it.
 - * If you or your family have specific wishes for asset distribution, is it stated in writing?
 - * Consider designating in your will a portion of your estate to CPRS or another charity.

- Trust
It often makes sense to establish a trust, which is a legal arrangement to hold your assets when you die. This may provide benefits such as maintaining control over the assets, avoiding estate taxes, etc. It may be called a “living trust,” and may be set up as revocable or irrevocable, depending on the purpose.
You would need to see a lawyer about wills and trusts.

- Beneficiaries
Make sure you know who the correct beneficiaries should be for various assets.
 - * If you have established a trust, many of your assets should typically specify the trust as the primary beneficiary in the event of your death, rather than your spouse (life insurance proceeds, bank and savings accounts, mutual funds, real estate, etc.).
 - * Retirement plans should generally specify the spouse as beneficiary. But check with a lawyer about the details.

- Power of attorney
You should have a durable power of attorney specified through a legal document, who is authorized to take care of financial issues if you are unable. You may also want to have a health care power of attorney, who can make decisions if you become incapacitated.
- Insurance
 - * For younger people with families, you should have life insurance to provide for the survivors. It may make sense for older folks too, but the cost may be unreasonable.
 - * The conventional wisdom is to buy term insurance, which is lower cost than whole life or variable annuities, and invest separately for retirement, rather than bundling the life insurance and investments together. (see Investments, below.)
- Long-term care, end of life
 - * The cost of health care is going through the roof. If you are nearing retirement age, you may want to be looking into long-term care insurance.
 - * Consider making plans for end of life care, and communicate with your loved ones and/or health care power of attorney about your desires. This might include decisions about burial or cremation, funeral arrangements, being an organ donor, etc.
- Home inventory
Make an inventory of the contents of your home, especially valuable items, in the event of fire or a burglary, so you can identify the contents to insurance and/or replace them.

2. Review your existing investments, or create a new plan for investment.

- Do you have money in investment accounts, including retirement accounts that are tied to stocks or mutual funds? Non-retirement investments will have capital gains taxes.
- If so, how recently have you reviewed and adjusted your investments?
- If not, what are you waiting for? Use compound interest to your advantage by starting as young as possible. Until the world's economy collapses, there are good options for investments that have provide regular, relatively stable growth over time. After the economy collapses, it probably won't matter, no matter what you do.
- American Funds, Fidelity, and others have a number of mutual funds with long, stable history of good annual interest rates. Consult with an investment professional for advice.

3. Review your family's emergency preparedness plans.

Do you have plans in place for emergencies? How about a fire safe to protect valuable papers and other things? Does your family know what to do in case of fire, tornado, or earthquake? Where will you go? Where will you meet if you get separated, or a designated 3rd party that everyone can contact? Do you have an emergency backpack for each family member that they can grab quickly, with food, clothing, and supplies? (update contents periodically)
Make sure family or a trusted friend has knowledge and access to important documents.

4. Consider how you could reach out to others with the good news of the gospel.

- Buy tracts that share a basic invitation to Christ, and keep them in your car.
- Keep a pack of non-perishable items, food, and a tract that you can give to a beggar.
- Meet your neighbors. Invite them to church, or share food or preparedness info.