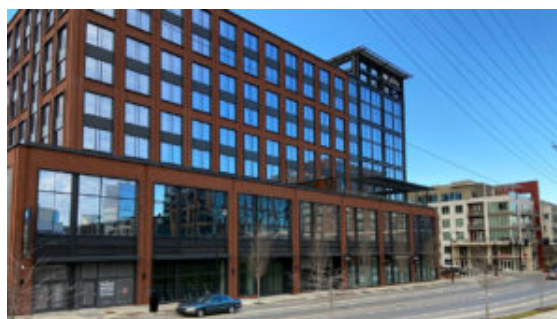


Finances, recommendations focus of Lifeway trustee meeting

January 28, 2021

NASHVILLE (BP)—Meeting virtually due to the COVID-19 pandemic, Lifeway trustees heard encouraging reports surrounding the entity's finances, adopted recommendations related to greater transparency and accountability, and approved proposed changes to its ministry assignments during their online meeting Jan. 26.



Lifeway Christian Resources has entered into a contract for the sale of its building in downtown Nashville. (BP Photo)

The positive financial news was accompanied by an announcement the company has entered into a contract for the sale of its building in downtown Nashville. The building sale is expected to be finalized later in 2021 and will help ensure the financial future of the company.

Coming off a year significantly impacted by the COVID-19 pandemic, Lifeway's finances have rebounded, trustees learned. The company anticipated and planned for significant losses for the 2021 fiscal year, but

through the first quarter, Lifeway reported revenues \$3.4 million above budget, and the company is nearly \$5.8 million ahead of net budget projections.

Even though Lifeway fell short of revenue projections in fiscal year 2020 by more than \$45 million, the company realized only a \$15 million loss due to “significant expense reductions that were put in place in the spring” according to Lifeway’s Controller Cossy Pachares.

Pachares cited as reasons for the revenue shortfall Lifeway’s inability to host camps and events throughout most of the year, limited Vacation Bible School participation by churches and the decline of sales of ongoing curriculum as many churches were not able to gather in small groups.

In April 2020, Lifeway implemented a series of budgetary freezes, cutbacks and staff reductions in response to the economic crisis resulting from the ongoing COVID-19 pandemic.

Actions to provide transparency, accountability

During executive session, trustees heard a report from a special trustee audit committee tasked with reviewing the circumstances and events surrounding Lifeway’s contract dispute with former CEO Thom Rainer last fall.

The special committee recommended five actions to provide greater transparency and accountability, including implementation of a clear conflict of interest policy, creating an Executive Compensation Committee as a standing committee, developing an ongoing, in-depth trustee training process and emphasizing the Lifeway Ethics Hotline.

“We have made changes to how we will handle this in the future so more

trustees are involved,” Vice Chairman J.D. Perry said. “Those changes have since been communicated widely to the full board to increase transparency of the process.”

The committee also reported that trustee Jimmy Scroggins’ involvement in Rainer’s transition agreement was not illegal or motivated by ill intent.

“I’m glad that the special audit committee found my conduct as chairman to be legal and ethical,” Scroggins said. “I, too, believe it would be better for agreements like these to receive broader trustee engagement. That is why, during my time as chairman, I led the board to enact the new bylaw policies mentioned in the report and recommended in the findings. I also appreciate the clarification about my publishing relationship with Lifeway.

“I will continue to work and pray and do my part to help Lifeway pursue its vital mission on behalf of Southern Baptists.”

The committee also reported Lifeway’s decision to publish Scroggins is not in violation of Lifeway’s bylaws as a conflict of interest. The bylaws specifically allow for a trustee to enter into a publishing agreement with Lifeway.

In addition, the special audit committee noted all advance monies and royalties from Scroggins’ books going back to 2015 have gone to his church and not to him personally.

President addresses trustees

Lifeway President Ben Mandrell affirmed the work of the special audit committee.

“Their work demonstrates a renewed commitment to higher transparency throughout the organization and a dedication to building strong relationships,” Mandrell said. “This not only serves Lifeway well, but also

strengthens trust with Southern Baptist churches.”

In his report, Mandrell shared four prayers to guide the organization through 2021.

“The kingdom of God has to be the heart of every Christian, every Christian church, every Christian organization,” Mandrell said. “Jesus taught us to pray, ‘Thy kingdom come, Thy will be done.’ Let’s keep that our prayer also—that we would all remain focused on building up [God’s] kingdom, rather than building up our own kingdoms that fade.”

Mandrell also updated trustees on the recent rebranding of Lifeway, the refresh of the company’s website and the sale of its building.

He told trustees a rebrand should represent far more than fresh graphics and web design, but also a renewed focus on the core customer.

“The primary focus for us has to be the church leader. We’re here to serve pastors, Bible study leaders, ministry volunteers and all those spiritual difference makers in the church who are leading others,” Mandrell said. “We want people to see we are in ministry with them and right beside them.”

Mandrell also spoke of Lifeway’s decision to embrace remote work as the norm and move into a new era of creative and collaborative work.

“The work-from-anywhere model works well for us, saving the time and frustration of the daily commute, but allowing us to meet up and strategize as needed,” Mandrell said. “We are changing the way we work at Lifeway in the strategic sale of this building.”

Trustees OK revised mission and ministries statement

Trustees also unanimously voted to forward to the SBC Executive Committee recommended revisions to Lifeway's mission and ministries statement. The revisions included adding the resourcing of Vacation Bible School as a ministry assignment and removing or amending assignments related to church architecture, capital fundraising, direct support of campus-based ministry to college and university students, faculty, and administration, and the operation of conference centers, camp facilities and brick-and-mortar stores.

Lifeway will make a report to the SBC Executive Committee in February with the intention of presenting the recommendation to messengers at the SBC annual meeting in June.

In other business, the trustees amended language in Lifeway's Retirement Plan, making the annual supplement to retirees contingent on Lifeway's paying a Christmas gift to employees in December of the same year.

The next scheduled meeting of the board of trustees is August 23-24.

Carol Pipes, director of corporate communications for Lifeway, contributed to this report.