

Why
and
How to
Tithe

An educational guide for members of the
Unification Church

by Rev. D. Michael Hentrich



Tithing is a pillar of one's spiritual life and health.

Tithing means to give 10%. It's an opportunity to give back to God a part of oneself, a part which is already God's to possess. Tithing is not the same as donating. A donation is a discretionary gift. A tithe is a sacred offering to Heaven required in a healthy and principled spiritual life. After tithing, additional contributions may be considered to be donations. One should not consider a portion of their tithing to be a donation. They are not the same thing. A tithing is an offering and a donation is a gift.

The question of tithing is one of ownership, not one of source. It does not matter from where you receive personal money. In the past, when many Church members were full-time missionaries and engaged in fundraising activities to support the local center in which they lived, tithing was not applicable. When fundraising, all of the net profit, or result, belongs to the Church. Tithing does not apply because none of the result is your own property. Tithing applies only when you have private ownership, such as with a job, business activity, personal selling, etc. You should offer a 10% tithe on what you receive. According to Father, God will claim and bless 100% of your property or money when you tithe 10% of it to Him (God). If you give less than 10%, God can only bless that limited amount that you have given, but not the remainder.

Tithing applies to people of all ages. Children should be taught to tithe as soon as they have personal ownership, such as with an allowance. Tithing is to be offered through the local Church.

According to Father, Dae Mo Nim, and others, to not tithe can result in significant spiritual consequences in our eternal life and also for our descendants.

Father has said: ...

"Tithing is a basic duty of the chosen children. When you offer the portion of the number one, that is, the number of God, you set up the condition of having offered the portion of the number nine. Therefore, you must think more of this one-tenth than of the remainder."

"Tithing applies to all things. Even in a school, one out of every ten classrooms should be used as a free class for unfortunate children."

"As Unification Church members, in leading a life of attendance to God and True Parents, tithing is absolutely essential. If you consider all money as your own, Satan will invade. The reason is that the number nine (3 x 3) has been governed by Satan so far. On the earth where Satan is the master under his dominion, if the

number nine is returned and connected to God, He can restore the number 10, through which God can claim His dominion over everything including the number nine from the realm of Satan. That is why the term tithe came into being. Do you think that it came randomly for no reason?"

"Likewise, by offering a tithe from your material possessions, you can make a condition that you offered all that you have. Although you do not offer the whole, offering a portion with all of your heart and mind is valuable in that sense. By offering one, the rest of nine can be also considered to be holy. The person who tithes will never perish. As days go by, his storage room will be filled with more material possessions and blessings."

"Tithing is a way to restore the persecution from material. If you do not tithe, the number nine will accuse you. The persecution of material. . . Do you understand what I am trying to say? One tenth of material is an offering object. Offering object. It becomes the most precious offering object."

"From now on, you need to tithe not only your material but also your time. It is no longer only the material like in the past. If you have ten family members, one family member should be offered on behalf of your entire family. You should keep such a standard. In the future, the Unification Church members must not skip tithing. Those who do not tithe cannot be considered to be Church members. Tithing is a duty, a heavenly duty. If you deviate from such a realm of life, it is not right."

"Today, we who are in the position of going over the providence of restoration should be determined not only to fulfill the condition of donating one-tenth of our income but up to three-tenths of our income. One-third should be offered to your nation, the second third, to the people of the world, and the last third to the heavenly kingdom. People who are responsible for the establishment of the heavenly kingdom should never violate the condition of tithing. You should be committed to this. At the same time, you should meet all the duties of filial piety."

Heung Jin Nim has said from the spirit world: "The Blessed families should be tithing not only in money but also in activities..."

And Dae Mo Nim has also spoken strongly about the importance of tithing no less than the minimum specified amount of one-tenth.

According to *The Tradition, Book One*, "Since originally all things belong to Him (God), our minimal attitude of attendance should be to offer at least one-tenth of all our things to God. Through this conditional offering, the remaining nine-tenths of our possessions become godly. By doing so, our life, our family, our possessions - the remaining nine-tenths - are all brought back to God. A hundred

percent of everything we own belongs to God. The external offering of one-tenth is only a small condition." (pp. 79-80) The chapter goes on to remind us that even one-tenth of our time should be offered to Heaven as a kind of tithe.

Because tithing is so important for our eternal spiritual life and also for our fortune while on earth, this booklet has been written to help our church members and families to have a better understanding of how to tithe in many various situations. These guidelines have been reviewed and approved by the HSA-UWC Accounting Office. They are offered to you with the heart of love as a helpful tool so that we and our descendants may all live the happiest, healthiest and most fruitful and prosperous lives we can live. I hope you will find this booklet to be valuable and helpful.

Rev. D. Michael Hentrich, Unification Church, Denver, CO.

1.

Tithing when you earn a salary

When you are employed by a company or person, and you receive a paycheck from which state and federal taxes are withheld by the employer, then you have a very simple task of calculating your tithing to the Church. Tithing means 1/10th. Therefore, the amount of your net paycheck should be divided by 10, and the resulting amount would be your proper tithe. This can usually be understood to be 10% of one's after-tax earnings in this situation. This must be calculated BEFORE any living expenses, savings plan deductions, insurance premiums or bill payments are deducted from your net paycheck. Bonus earnings will also be subject to this tithing calculation.

The reason we are not tithing on the gross income before taxes, as some would advise, is because the tax money taken out of your paycheck is, for all practical purposes, not your money. You have no discretion over the tax dollars, even though you created them by your work. Thus, we should make our tithe offering on what we actually receive and have discretion over.

2.

Tithing when you are self-employed

When you work for yourself, have your own company, own a franchise, or do contract labor, your tithing considerations are different than if you were an employee and earned a salary. The key point for the self-employed person to understand is that “tax-related” earnings are usually not the amount that one should calculate their tithing on. Many various types of expenses and legal mechanisms and structures can reduce tax-related earnings. Some of these types of expenses can be called "non-discretionary", while others would be called "discretionary". Non-discretionary, in this case, means that you are NOT free, or have limited freedom, to decide how much to spend on such expenses. In the case of such expenses as tax payments, FDIC, etc., a local, state or federal government agency decides the amount of these expenses and they are required by law. Other non-discretionary expenses could include such things as rent, loan payments, utilities, wages, and other forms of necessary overhead expense. Examples of some discretionary expenses could include such things as the purchase of a new vehicle or office furnishings. Discretionary expenses would be business-related expenses for which you have freedom to decide how much, if any, to spend, such as profits reinvested in the business in one way or another.

Both discretionary and non-discretionary expenses in your business can reduce tax-related earnings. The key point is that tithing should be calculated AFTER deducting non-discretionary expenses, including taxes, but BEFORE deducting discretionary expenses. Let's look at a simple example:

Farmer Jones may sell his last year's harvest at a handsome profit of \$500,000. But, since he bought a new tractor, pickup truck and \$100,000 of seed for his next year's planting, he might think that the \$50,000 that was left over for his family's living expenses and leisure is the figure that he should calculate his 10% tithing on. Thus, he would tithe \$5,000 to the Church for the year's earnings. This would not be correct. He should calculate his 10% tithe on the gross amount of the \$500,000 less his actual expenses in creating that profit, and less the taxes he will owe for the year (even though his taxes will be calculated on a much smaller figure than the \$500,000). He should then offer his tithing on that calculated amount. Farmer Jones might then have something in the neighborhood of \$300,000 left after direct expenses, taxes and tithing to spend on new equipment, a new pickup truck, and on next year's seed for planting.

Certainly, the product cost for a business, in this case the farmer's seed, is to be deducted before calculating the tithe offering as a cost of doing business. But, the cost of the seed should be deducted from the gross profit in the year when the profit was made. To deduct the cost of the seed from the tithing calculation in the previous year because perhaps it was purchased or paid for in the previous year

would be inappropriate. It will be properly deducted in the year the harvest comes in and the profit is realized because it was part of the cost basis for that year's profit. And, of course, one must be careful not to deduct the product cost twice.

You, the business owner, have to ultimately decide which expenses are intrinsic to the production of the profit in question, and which expenses are discretionary and should be included in the amount you calculate your tithe offering on. The point is, don't avoid tithing on profits just because those dollars were used for tax-deductible expenses. As important as such expenses may be to the business, they may be more appropriately considered "discretionary" and therefore it may be appropriate to tithe on those dollars.

Also, some businesses engage in a relatively small number of major transactions, while others operate on a relatively large number of minor transactions. A real estate agent may sell 8 houses in a year, each generating a substantial amount of income for the agent, whereas a grocer may see 10,000 customers each week, each spending a relatively small amount. When engaging in major transactions, the tithe offering should be calculated on the net profit from each major transaction as you go. Expenses directly used to realize the profit on each major transaction, such as selling a house or other property, should be deducted before computing the tithe on the profit from that sale. But, when a real estate investor reinvests some or all of the net profit of one sale into the purchase of the next subsequent property to be transacted, this would be a discretionary use of the profit, not an amount to be deducted from the initial or previous property's profits before tithing. When reinvesting profits into a series of future business transactions, one should also be careful not to calculate the tithe offering on the same dollars twice or three times, etc. Also, it is not necessarily correct to think that tithing is to be calculated on an annual figure. The point is, when profit becomes free and clear to reinvest or to do with what you choose, you should tithe on that profit.

For a business making many small transactions, one should calculate the tithe offering on a suitable periodic basis, such as for each pay period, or each week, or each month, or each calendar quarter, etc. Whatever time period would be most appropriate should be used.

The simple rule when it is all said and done should be: "When I realize a dollar's profit, 10 cents of it is God's and 90 cents of it is mine." If we keep that simple rule in mind, then all the complex and varied business scenarios can be greatly simplified in terms of how to properly calculate your tithe offering.

3.

Tithing when you sell your home or property

When you sell your home, a piece of property or other asset, you should calculate your tithe offering on the profit realized, not on the sale price. For example, if you paid \$100,000 cash for your home or land in 1960 and 20 years later sold it for \$180,000 you would calculate your 10% tithe offering on the profit of \$80,000, not on the sale price of \$180,000.

If you financed the property purchase with a loan, you should calculate the total amount you have paid the bank or lender since you first signed the paperwork, including interest. (i.e., add up all of your monthly payments, plus initial payment of points and fees, etc. to secure the loan) This is your "cost basis". Subtract this amount, plus the cost of any capital improvements you may have made (built a new fence, etc.) and subtract this total amount from the new sale price to find out your actual profit, if any. You should tithe on this amount.

As mentioned, whether or not you bought the home with a mortgage loan, if you made capital improvements on the property while you owned it, such as a new roof, new windows, new fence, etc., this can be deducted from the net profit before the tithe offering is calculated. Even though you intend to use the profit from the sale of your previous home to purchase a new home or property, a tithe offering should be calculated on the profit from the sale before investing the net remaining money into the new home or property. Therefore, instead of thinking that the entire sale price or profit is available to reinvest into a new property, a 10% tithe should be deducted from the actual profit before reinvesting the remaining money into a new property, which is a discretionary decision on your part as to what you wish to do with the profit.

4.

Tithing when you earn profit on an investment or asset

Profits on an investment usually fall into three categories: interest, dividends and/or appreciation. Interest is considered "realized profit" and is cash either deposited back into your investment account or paid out to you. A 10% tithe should be calculated on this amount. For most people, this may be a very small amount, but spiritually it is important to not overlook these kinds of income. For some others, this amount may be significant. The spiritual importance is the same in both cases.

Dividends are earnings on stock investments which can either be automatically reinvested in the form of more shares of the original investment, or redeemed for income. If these earnings are redeemed and received by you, then this income is "realized" and a tithe offering should be calculated on that amount. If these dividends are not redeemed, they should not be tithed on since their value is "not

realized" yet, until such time as they are redeemed and converted into cash earnings.

Many investments also earn what is called "appreciation". This means if you paid \$10 per share for an investment, stock, or mutual fund, etc., and it is now valued at \$15 per share, your investment has appreciated in value by \$5 per share. However, if you do not sell the investment but only watch its appreciated value grow "on paper", you would not tithe on that profit since it is "unrealized" profit. It is only "realized" profit when you actually sell some or all of the investment and receive the profit in cash, even if you immediately reinvest that cash profit into another investment. If you sell an investment and therefore "realize" a profit from the sale, selling it for more than you paid for it, then you should calculate a tithe offering on the profit from that sale.

5.

Tithing when you receive an inheritance, gifts, prizes, etc.

Any income is subject to tithing. The question of tithing is one of ownership, not one of source. If you receive an allowance or stipend or income from the Church or a Church entity, you should tithe on that amount. If your parents or relatives give you money, you should tithe on that amount. If you win a prize or cash award, the same applies. If you receive an inheritance or life insurance settlement, even though no taxes would be due, you should tithe on the amount you receive. If you receive income "in kind", which means compensation which is not in the form of cash (i.e., free rent, insurance benefits, use of a vehicle, free plane travel, etc.) you do not calculate a tithe offering on that "in-kind" income. When you receive an income tax refund, you should remember that you did not pay tithing on that refunded tax money because you deducted it from your last year's gross income before calculating your tithe offering on the net amount after taxes were taken out. Therefore, you should remember to tithe on the income tax refund you receive.

6.

Tithing when you receive Educational Financial Aid

If the Student Financial Aid you receive is something you have to pay back, like a loan, then you would not tithe on that money since it is not yours to keep

and therefore not income that you own. On top of that, you have to pay interest and lose money to use it.

If you receive a financial aid grant which is not a loan but which is required to be spent directly and exclusively for education purposes, such as tuition, fees, and books, then even though you benefit from that money, that money is not yours to own and be a steward over and you therefore would not tithe on that money.

If, however, you receive financial aid which is not a loan but rather a grant which you are free to spend in any way that you wish, even including personal living expenses, then that money is in your stewardship and is yours to own and manage and make discretionary decisions on and therefore you should tithe on that money. If a portion of such a grant is yours to spend in any way that you wish, then you should tithe on that portion.

For copies of this booklet, contact:
Unification Church
3418 W. 14th Avenue
Denver, CO 80204

October, 2010 Edition
Copyright©2010
HSA-UWC

All rights reserved. This material may not be copied
nor reproduced by any means without the
written expressed permission of HSA-UWC.