



KHACHKAR STUDIOS

EMPOWERING GOOD NEWS

INFINITE SROI MEMO: THE TRUE COST OF CONCEALMENT TRANSPARENCY AS A BENCHMARK OF FAITHFUL GOVERNANCE

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1. Transparency as a Cornerstone of Democratic Society

In the U.S., financial transparency is a core democratic obligation. A best practice among public-interest organizations — governments, schools, charities, and nonprofits — is publicly disclosing financials. This is formalized through the IRS Form 990, required by law. The only exception is religious institutions, an exemption originally intended to protect churches from royal interference. Not embracing best practice financial transparency is without question a worst practice and no place in a democratic society. The best practice among religious organizations is to publicly disclose in prominent locations detailed financials annually or even intra-annually, even if not required based on interpretation of a 1787 constitutional provision.

2. Excuses that Collapse Under Scrutiny

Some leaders resist disclosure, claiming that transparency will scare donors, attract criminals, or confuse members. These claims lack evidence. Hospitals, universities, and even small charities publish full financials safely. True stewardship demands accountability, not concealment. Refusing transparency replaces trust with fear — and faith with control.

3. Cost of Concealment

When churches hide finances, they damage confidence, reduce giving, and lose moral authority. Donors cannot see how their gifts are used, and congregations cannot evaluate priorities. Concealment, once rationalized as prudence, becomes an act of self-preservation that deepens decline.

4. The Benchmark of Management Excellence

World-class institutions across faith traditions embrace financial discipline and benchmarking as evidence of management excellence. Catholic dioceses, Protestant networks, and Orthodox parishes that post audited statements earn stronger trust, greater giving, and higher participation. Transparency is not a threat — it is the testimony of faith itself.

5. Worst of worst

To be crystal clear it is a worst of worst practice to use public utilities such as the US mail, emails, the internet, or other United States (18 U.S.C. § 1343) electronic communications to mislead potential donors with claims of need for funds using intentionally misleading financial statements and or numbers.

Conclusion

Refusing to make finances public is a worst practice that contradicts both democracy and Judeo-Christian ethics. Intentionally hiding, restricting, or making data difficult to find — under the guise of exclusivity, membership, or selective sharing — represents the summit of the Mount of Worst Practices. In every democracy, light sustains trust. Faith institutions that embrace transparency honor both God and the people they serve. Excuses that financial success discourages others from financial support is destructive thinking. The most successful religious organizations lead with financial success. Possibly losing a few donations from the weak is no comparison with gaining the financial support base on success.