

Church Finances for Missional Leaders: Best Practices for Faithful Stewardship

By **Bonnie Ives Marden**, Wesley's Foundery Books,
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Church leaders have a corporate social responsibility (CSR) to their communities and congregations. In this context, CSR is used as a business model to hold church leaders accountable to themselves, stakeholders, and the public. In *Church Finances for Missional Leaders: Best Practice for Faithful Stewardship*, Bonnie Marden analyzes how churches can steward growth in their congregants and church finances. The author expresses how the practices of church stewardship and financial stewardship must come together and form a continuous joint relationship for the success of the church.

Church stewardship focuses on the mission of the church while financial stewardship prioritizes the financial management of the church. Church stewardship encompasses “five (5) stewardship practices: prayer, presences, gifts, service, and witness” (p. 2). The author asserts that financial stewardship becomes a spiritual discipline that “supports faith formation and cultivates money for mission” (p. 4). Marden discusses the biblical importance of “money and mission” by analyzing several passages of Scripture, including the deadly consequences Ananias and Sapphira experienced for withholding their financial gifts (Acts: 5:1-11) Jesus’s parable of the Prodigal Son (Luke 15:18-32), and the death of the rich fool who lacked a relationship with God (Luke 12:16-21). The author explains the importance of gratitude and generosity when giving to support the church’s various ministries, including children’s ministry, music ministry, new members, and administration. Our responsibility as Christians is to follow and support God’s vision. Marden states, “[F]inancial management and stewardship practices strengthens our commitment to God’s vision” (p. 16).

Marden equips Christians with best practices for financial stewardship by way of real-life testimonials, personal experiences, and worksheets for support of

financial information. She discusses important concepts related to financial management and provides an overview of many important financial terms, such as accounts, assets, audits, balance sheets, budgets, campaigns, P & L statements, tithes, cash flows, endowments, and expenses. These terms can assist readers with business background in understanding the purpose for financial reporting. Marden describes the different kinds of gifts given in church missions. Outside of cash contributions, these gifts may include annuities, trusts, pension plans, IRAs, and other appreciated assets, such as savings bonds, stocks, and real property. Gifts may also arise from endowments, wills, and bequests. She examines what motivates individuals to give. Marden notes, “[R]esearch on philanthropy cites eight (8) charitable giving motivations: awareness of need, solicitation, costs of benefits, altruism, reputation, psychological benefits, values, and efficacy” (p. 72). Here, the author suggests the idea of creating multiple revenue streams. The author indicates other methods of giving that can be done through capital campaigns, special offerings, community events, grants, endowments, and electronic giving.

The mechanics of financial reporting and the procedures for good internal control systems are examined. Strong internal control policies and procedures are critical to improving churches’ financial management. Marden highlights these elements in Chapters 4, 6, 7, and 9. The author refers to standards used for internal control policies and procedures, such as separation of duties, bank reconciliations, limited party signers, authorized personnel, invoice documentation, recordkeeping, annual audits, and policy writing and reviews. One of Marden’s strongest financial practices is to have an annual review of financial statements and compare the previous year’s balance sheet to that of the current year. The author

also introduces budget preparation. She discusses how to build a budget by creating budgets with single (narrow) or multiple (broad) categories. Income projection plays an important role when budgets are prepared. Marden draws attention to the difficulties often encountered related to income projections. Giving units such as normal cash donations within the church may be challenged with outside interference. Outside interference may include unemployment, low-paying jobs, cash used for emergencies, and other situations that may cause a decrease in giving units.

The frequency of these various interferences raises the question, how can churches sustain financial stability on a consistent basis? The author provides five topics to examine when assessing income vulnerability:

1. Consider the number of giving units as a percentage of your total participants or supporters.
2. Consider the number of contributors who are funding 80% of the budget.
3. Consider the number of contributors who are funding 50% of the budget.
4. Consider the average age and stage of those who give regularly.
5. Evaluate whether your income is dependent on a small number of giving units or spread out over broad groups of supporters from different age groups (p. 61).

The author also provides commentary in the areas of leadership, communications, and risk management. Leaders assume much responsibility and accountability for their organizations. In the words of Marden, “[E]ven the early disciples responded to the needs of others by organizing systems to deploy leadership (see Acts 6:1-6).” She views pastors as the spiritual leaders and overseers of the church. Their responsibilities include the overseeing and reviewing of annual budgets. Although pastors should not be seen as financial experts, they should have knowledge related to the preparation and interpretation of financial information. Because of the many roles and responsibilities among church personnel, strong communication should promote synergy and build relationships between all church leadership, church staff, and church members. Marden introduces a tool called a “narrative budget” to aid with communication related to church giving. She notes that “a narrative budget transforms line-item budget into a faith-in-action story. It effectively connects the donor to your mission and serves as a marketing and orientation tool focusing on missional activities” (pp. 122–123). Lastly, Marden

provides information on policies and procedures and how church governance protects all parties that are involved in church missions. Nonprofits also have a responsibility to properly submit documentation for tax exempt purposes. Depending on certain gifting, churches may be responsible for tax liabilities (p. 132). Some best practices for the protection of parties include annual audits and annual reviews, payroll tax withholdings on paid employees, the issuance of 1099 for subcontractors, and a place to maintain written policies (pp. 131–139).

The author’s style of writing makes it appealing to nonprofit, religious organizations. Marden’s research features commonalities of best practices implemented in other religious organizations. Religious organizations interested in improving financial stewardship may find this book a vital resource. The book can also be utilized within Christian higher education, including as a supplemental resource for various courses examining topics in accounting, business ethics, and nonprofit administration. The appendices and the worksheets can be used to complement the Christian view of best practices for church finances. Each chapter includes real-life testimonials, Scripture, and reflection questions. To assist the reader, the author has developed many appendices for additional information that can be used for educational purposes. The appendices range from Appendix A through Appendix J. (Appendix J consists of all worksheets.) I whole-heartedly recommend this book to anyone who wants a better understanding of how church leadership can use best practices in church stewardship and financial management for the purpose of sustaining church ministries.

ABOUT THE AUTHOR



Dr. Jerome J. Lockett serves as an assistant professor of accounting in the McLane College of Business and is the program coordinator of the undergraduate Accounting Program at the University of Mary Hardin-Baylor. He has taught a wide variety of accounting courses, both on the graduate and undergraduate levels. One of his main objectives is to prepare students to successfully pass the CPA Exam. His research interests include inequalities of salaries for full-time church employees and fraudulent transactions in crypto currencies.