



MORE THAN MONEY: Fostering Accountability

StewardShop 109

Description

Participants in this 55-minute workshop learn how to ask about and require accountability in their congregation's financial stewardship ministry. Both basic financial management and respect for donors are featured.

Audience

"More Than Money" is intended for stewardship leaders who have special responsibility for the care and handling of contributions, especially those who have entrusted portions of that responsibility to others.

Skills

This workshop provides participants the opportunity to develop a strategy for asking basic questions about accountability, including the congregation's integrity in respecting its donors.

Materials

Handout, "More Than Money: Principles of Accountability," one per participant

Handout, "Red-Flag Scenarios: Finding the Need for Accountability," one per participant

Handout, "Preparing for Accountability," one per participant

Reprint, "Suggested Guidelines for Congregational Treasurers," one per participant

Schedule

Presentation, "Principles of Accountability"	(10 minutes)
Searching for Specifics	(10 minutes)
Scenarios and Red Flags	(15 minutes)
Increasing Accountability	(10 minutes)
Peer Feedback	(10 minutes)

WORKSHOP DESIGN

Presentation, "Principles of Accountability" (10 minutes)

The workshop begins with a short presentation about the subject of accountability. Distribute copies of the handout, "More Than Money: Principles of Accountability," one per participant. Encourage participants to

take notes directly on the handout or, if they will use it as a duplicating original for later use, to take notes on a separate sheet of paper. Proceed through the material on the handout, commenting especially on these items:

- Accountability is about “more than money” because it is one of the cornerstones for the financial viability of a congregation. (Items 1 - 4)
- Trust and trustworthiness cause (and are caused by) accountability. (Item 3)
- The balance between basic accountabilities – to the institution and to the donor – is not always easy to discern. (Items 5 and 6)
- Accountability is a matter of the heart (or soul) before it’s a skill. (Items 1, 4, 7, 8 and 9)
- Accountability is connected with loyalty and duty, but also brings joy (in the realizing of God’s mission) (Items 3 and 4)

Due to the relatively short amount of time available, defer any questions or comments to the end of the workshop, when you can spend in-depth time with individual participants.

Searching for Specifics

(10 minutes)

In this activity participants look through the ELCA Suggested Guidelines for Treasurers, which details a variety of specific elements of financial accountability in congregations. The intent is NOT to learn all there is to know about accountability. Instead, the activity helps participants find places in this manual that might be important in their congregation, either as places where accountability is well accomplished or places where it is sorely needed.

Distribute copies of “Suggested Guidelines for Treasurers,” one copy per participant. As you hand out copies, note that this reprint is from the ELCA web site, specifically from the ELCA Treasurer’s Office. The web-site address, at the top of the reprint, is www.elca.org/ot/congregations/guidline.html. Let participants know that these are only suggested guidelines, and do not constitute currently specific or contextually accurate information. Attorneys and tax preparers will offer more specific answers to questions.

In the time they have available, participants will leaf through the reprint, looking for places where financial accountability might be good, and places where it is lacking in their congregations. A good place to start: The table of contents, then jumping to specific sections that seem important. Later in the workshop participants will have a chance to revisit the sections of the guidelines that they have flagged, for more specific reading and consideration.

During the time for this activity, circulate among participants and answer any general questions. Remind participants that they should take notes on separate paper if they intend to use this reprint in their home setting.

Scenarios and Red Flags

(15 minutes)

During this time segment, participants read and react to real-life scenarios in which financial accountability is accomplished well, and scenarios in which it is not done well.

Distribute copies of the handout, "Red-Flag Scenarios: Finding the Need for Accountability," one per participant. Explain that these scenarios illustrate:

- Examples of how financial accountability is evident
- Examples where accountability is lacking
- "Red-flags" – signs that something might be amiss.

Direct participants to read the scenarios and to circle words or phrases they believe are the warning signs of accountability problems, or the signs that accountability is being done well. Participants can refer to their copies of the Suggested Guidelines for Treasurers, which they reviewed earlier, for possible ideas.

This activity prepares them for the focused activity of this workshop, preparing to increase accountability in their own congregations on their return from this workshop.

Increasing Accountability minutes)

(10

Participants now look at the ways in which their own congregations practice accountability in financial matters, preparing to engage in conversations with other congregational leaders about specific ways to increase accountability.

Distribute copies of the handout, "Preparing for Accountability," one per participant. Refer participants to the two columns (which continue onto the reverse side), allowing for examination of good and poor accountability in their congregations. Participants' task during this time segment: To complete the five items on the handout, either on the "high" or "low" accountability column. They may find beneficial the work they have done in previous activities during the workshop, including the principles of accountability, becoming attuned to possible problems, and seeing the breadth and depth of specific guidelines for treasurers.

As participants work on the third item – questions to be asked – they may want to refer to the sample questions at the bottom of the reverse side.

Circulate among participants as they work; when about two minutes remain, direct them to complete the column they are working on, and at least Item 1 on the other column.

Peer Review

(10 minutes)

The workshop concludes with a time of sharing and peer review. In pairs, participants share what they have written, and garner wisdom from their partner's opinions of problems, opportunities, solutions or improvements.

Circulate among participants, listening to what's being said. At the four-minute mark, remind participants to switch roles – speaker/listener – so that both partners receive equal benefit.

Use the last two minutes of the workshop to make concluding remarks and to offer a word of prayer for participants' stewardship in their congregations. Dismiss the group with your thanks.



MORE THAN MONEY

Principles of Accountability

“Accountability” is about money, certainly, but also about more than money. In this handout you review what you’ve known as a leader: accountability ensures trust, which ensures the viability of your congregation as an enterprise of God’s Spirit. Although the focus here is on financial accountability, the principles apply to other areas of congregational life as well.

- 1. Basic accountability starts with integrity.** Integrity – when actions consistently match ideals – lies at the heart of accountability. Leaders who are accountable for financial matters in congregations exhibit the highest integrity, and they also respect *the integrity of donors!*
- 2. In its simplest form, accountability is simply “giving an account of one’s self.”** In the management of a congregation’s financial affairs, accountability involves accurate, transparent record-keeping, regular reports, interpretation of God’s mission within and beyond the congregation, shared decision-making, and responsiveness to vision.
- 3. Accountability helps enable God’s mission.** When leaders are accountable – to God, to donors, to the mission of God through their congregation – trust is engendered and relationships are strengthened. Financial resources are garnered, managed and used carefully – and God’s mission is accomplished.
- 4. “To hold each other accountable” is a part of a Christian view of life.** “Accountability” can be thought of as a part of living as a redeemed co-worker with God. Accountability occurs within a framework of grace – undeserved favor from God – and so can be seen as evidence of God’s blessing and our grateful response. To make accountability only a difficult element of life diminishes God’s generosity and our response.
- 5. Accountability to the donor is balanced with accountability to the congregation and the entire church.** Neither complete respect of donor’s wishes/hopes nor complete respect of a congregation’s goals is sufficient in itself. By themselves, each can skew the mission of the church as collected believers in Christ. The balancing of accountabilities can be difficult at times – especially when “the greater good” is being sought – but a necessary ingredient in mission funding.

- 6. Accountability is bound by legal and ethical requirements.** Because of the fiduciary relationships among givers, managers and congregations, choices about accountability philosophies and practices are limited by statute and organizational standards. Managers cannot effectively execute their duties if they lack up-to-date information about those standards or requirements.
- 7. At its heart, “being accountable” means to put the interest of donors and the institution ahead of your own.** Accountable managers are self-giving, without draining their personal energies or resources. Technical and ethical skills are practiced with proficiency. At the same time, accountable leaders are more than technicians because they inspire trust in the congregation and its part in God’s mission.
- 8. Accountability requires other personal traits and skills.** They include, but are not limited to: honesty, dependability, concern for others, loyalty, fairness, mission-mindedness, respect for others, confidentiality, faith in God’s providence, pursuit of excellence and wisdom in discerning ethical dilemmas.
- 9. Accountability may be a spiritual gift.** Those charged with the responsibility of managing the financial affairs of a congregation are called to a special vocation in the life of Christ’s church. At its core, being accountable begins with a strong sense of God’s grace, and with generosity as a Spirit-given response to God’s gifts.
- 10. The ethical questions of accountability are sometimes difficult to answer.** Competing passions for mission, complex contexts, differing understandings of “moral imperatives,” and varieties of piety – all these may make it difficult to discern ethical answers in some situations. Prayer, forgiveness, and study of God’s word – these assist accountable leaders in making tough decisions.



RED FLAG SCENARIOS

Finding the Need for Accountability

This handout presents a series of scenarios in which financial accountability might be lacking or is in danger. Circle words and phrases that you believe are “red flags” – indicators – of low or high accountability. You may want to refer to other resources or guidelines to sharpen your sense of missing or faulty accountabilities.

Scenario 1: The Missing 1099 Forms

The employees of St. Jacobi Lutheran has been assured many times, “We’re saving money and limiting aggravation by paying you wages through accounts payable.” The treasurer had not completed any IRS Form 1099s, and told employees that “churches don’t have to follow the same IRS rules as businesses.”

Scenario 2: The Decisive Donor

The treasurer at Hillside Lutheran rejoices in the recent donation of 100 acres of nearby forestland to the congregation. She wonders, though, whether the donor is correct in asserting that he can establish the value of his donation and request that amount to be listed on relevant documents acknowledging the gift.

Scenario 3: “Easy Accounting”

The church council of Trinity United Lutheran has been pleased with the “simple and easily understood” financial reports from the congregation’s financial secretary, who also explains to the council that they probably wouldn’t understand “the arcane practices of accounting.” The council is happy about shorter meetings and quick, general answers to their questions.

Scenario 4: Efficient Investing

Living Lord Lutheran has an endowment fund whose holdings are spread among several investments. Due to a variety of circumstances, the “endowment committee” has now shrunk to one trusted leader, who has the sole responsibility for making investment decisions on behalf of the fund.

Scenario 5: Fluctuations

In its annual pre-budgeting process, the Finance Committee of Lundberg Memorial Lutheran has noticed some unexplained fluctuations in expenses over the past three months. The treasurer seems unable to pinpoint their exact nature or cause.

Scenario 6: Winging It

Pat Smith III, congregational treasurer for the past 25 years, has no formal training in accounting or financial management, but inherited this job from uncle Pat Smith II, who was treasurer for 40 years before Pat Smith III. Financial affairs seem to be okay, although always a little hard to sort out.

Scenario 7: Unmindful Pastor

Pastor Jacobs doesn't always forward mail to congregational leaders, including legal and institutional materials. The congregation, Spirit of Hope Lutheran, is brand-new, and so its leaders are not aware of their legal responsibilities vis-à-vis the laws of the state and federal government. Recently Pastor Jacobs has been getting phone calls from representatives of the Internal Revenue Service.

Scenario 8: Keeping Insurance Costs Down

The programs of United Lutheran have grown considerably over the past ten years, coincidentally the last time the congregation's insurance and liability coverage was reviewed. Recently, a member asked whether the congregation youth group was covered for the special circumstances of a servant event. The treasurer couldn't produce an accurate or up-to-date answer.

Scenario 9: Financial Ramifications

Three Pines Lutheran is a small congregation, reliant on volunteers to manage its financial affairs. Recently county health, environmental, code enforcement and child welfare departments have contacted the treasurer about fines and penalties stemming from the congregation's non-compliance with county codes in the opening of the "Little Pines" daycare center in congregation facilities.

Scenario 10: Dealmakers Rewarded

The pastor and secretary of Gryzknry Memorial Lutheran have for years been able to "rent out" the parish hall and Luther Lounge to local organizations and families at rates considerably lower than those charged by local businesses. Both the pastor and the secretary have been shocked to learn that this practice violates "the private benefit doctrine" for tax-exempt organizations.

Scenario 11: Unnecessary Bonding

In order to save money, St. William Lutheran has paid for fidelity bonds only for the church treasurer and the pastor, each of whom is authorized to sign legal documents and checks on behalf of the congregation. Others who handle congregation funds have been assured that "in case of difficulty, you would not be held responsible, and besides, we trust you implicitly."

Scenario 12: Donors Ignored

The Memorials Committee at Altenburg Lutheran has decided to disband after the church council voted to authorize funds “in any special memorial accounts to be available for general congregational budgeted expenditures.”

Scenario 13: Clouded Transparency

The leaders of Trinidad Lutheran are a little frustrated: As much as they ask, the financial secretary just can't seem to find time or interest in producing detailed financial records for congregational transactions. In addition, the treasurer rarely attends council meetings, and keeps all the records at home.

Scenario 14: Donated Services

A congregational member at Shining Alabaster Lutheran is a professional trumpeter, and has asked the financial secretary for a favor. The musician would like a “receipt for tax purposes” that credits his recent participation in Advent and Christmas services with a dollar amount equal to what he would have received had he been paid at prevailing rates for musicians locally.

Scenario 15: Receipts for Big Gifts

The treasurer at Lutheran Church of the Redeemed gets the same request each year: receipts for substantial gifts that “overlook” the dollar amount of the benefit that the donor received as part of fund-raising events – the meal, premiums, prizes, etc. The treasurer isn't completely sure about the exact stipulations of the “\$250 Rule”.

Scenario 16: Streamlined Counting

In order to keep the number of needed volunteers to a minimum, the finance committee at St. John the Divine Lutheran has allowed one person to be in charge of counting, recording and depositing Sunday offerings, each single volunteer working only one Sunday every other month. The arrangement has suited the congregation's meager availability of willing volunteers.

Scenario 17: Designated Giving

The staff and leaders of Shepherd of the Hills Lutheran have found an effective way of handling special giving: Any member can ask for the establishment of a special account for a special purpose; each account becomes part of the church budget in the coming year. At present, Shepherd of the Hills' budget lists 17 separate “special giving” \$250 - \$600 accounts.

Scenario 18: Unbiased Pastor

Pastor Jenkins has been at Holy Spirit Lutheran for five years, and from the start has insisted on “not knowing what members give” so that he can be “unbiased about members generosity.”



PREPARING FOR ACCOUNTABILITY Worksheet

Use this worksheet to begin planning how you might identify places in your congregation's financial affairs where accountability is especially evident, and places where it is needed. The worksheet also helps you plan the means by which you can begin to increase accountability.

A Place of High Accountability

1. Name a place or situation or procedure in the life of your congregation in which high accountability is evident.

2. Which of the principles of accountability (or qualities of accountable leaders) are most evident?

3. What questions would you ask leaders to help them see and name the quality of accountability that characterizes their work?

A Place of Low Accountability

1. Name a place or situation or procedure in the life of your congregation in which accountability is not evident or sorely needed.

2. Which of the principles of accountability (or qualities of accountable leaders) is most lacking?

3. What questions would you ask leaders to help them see and name the quality of accountability that could characterize their work?

4. What steps you will take (and with whom) after you've asked questions and received answers.

5. How will you know when the high accountability is strengthened?

6. Other matters:

4. What steps you will take (and with whom) after you've asked questions and received answers.

5. How will you know when the low accountability is corrected?

6. Other matters:

Sample Questions About Accountability

1. How do you double-check or verify the work you do (on the budget, in reporting contributions, in keeping track of petty cash, etc.)?
2. What's your preferred method of keeping (the congregation, donors, the church council, etc.) informed about your work?
3. How do you keep current with (tax laws, non-profit legalities, insurance requirements, accounting, financial management) in your volunteer work here in this congregation?
4. What principles guide you in your financial management here?
5. What are you most careful about (in receiving contributions, accounting for expenditures, reducing possible liabilities, fairly compensating employees) in your work?
6. What's the most difficult thing you do as you try to be accountable for this congregation's financial affairs? How do you manage the difficulty?