



Can Your Church Be Trusted?


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“Let your light shine before others, that they may see your good deeds and glorify your Father in heaven.”

– Matthew 5:16



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Building Better Practices – Why is it Important?



Biblically

The Bible calls us to be above reproach.

- 2 Corinthians 8:20-21
- Reputation with God and the public

We are called to be good stewards.

- 1 Peter 4:10
- Both as an organization and as a donor





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Building Better Practices – Why is it Important?

An Alert Society


1. Everyone has a platform.
2. Donors are watching – there are more ways to learn about ministries and their use of funds through the internet now than ever before.
3. Transparency is crucial!



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Building Better Practices – How is it Accomplished?

Accountability




- We know how important accountability is in our walk as believers, but it's also important in our service to the Lord as mission agencies, churches, and religious organizations (iron sharpening iron Proverbs 27:17).
- Accountability implies a level of discomfort and vulnerability.
- Being accountable means being obligated to report, explain, and justify.

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Building Better Practices – How is it Accomplished?

ECFA's Seven Standards of Responsible Stewardship™
Commitment to High Standards of Biblical Stewardship



- Doctrinal Issues
- Governance
- Financial Oversight
- Use of Resources & Compliance with Laws
- Transparency
- Compensation Setting & Related-Party Transactions
- Stewardship of Charitable Gifts

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Standards of Biblical Stewardship



Purpose and Spirit of the Standards

- "I believe the ECFA is going to perform a ministry which will strongly build credibility and confidence."
- ECFA Standards are infrequently changed, providing a steady baseline for consistent application of the Standards to members.
 - Simple but not simplistic
 - Pass-fail...must comply with all



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Self-Assessment – Am I in Compliance?



ECFA's Accountability Process

- Application
- Renewal
- Renewal+
- Standards Check-In
- Compliance Reviews



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Self-Assessment – Am I in Compliance?

Governing Board Responsibilities 10 Essential Duties	Integrity Tune-Up	Charitable Gift Stewardship Year and Renewals
<p>1. Establish and maintain a clear vision and mission statement for the organization.</p> <p>2. Develop and implement policies and procedures that are consistent with the organization's vision and mission.</p> <p>3. Recruit, hire, and retain qualified staff members.</p> <p>4. Monitor and evaluate the performance of staff members.</p> <p>5. Develop and implement a budget and financial plan.</p> <p>6. Monitor and evaluate the organization's financial performance.</p> <p>7. Develop and implement a fundraising plan.</p> <p>8. Monitor and evaluate the organization's fundraising performance.</p> <p>9. Develop and implement a risk management plan.</p> <p>10. Monitor and evaluate the organization's risk management performance.</p>	<p>1. Review and update the organization's policies and procedures.</p> <p>2. Review and update the organization's financial plan.</p> <p>3. Review and update the organization's fundraising plan.</p> <p>4. Review and update the organization's risk management plan.</p> <p>5. Review and update the organization's vision and mission statement.</p> <p>6. Review and update the organization's staff development plan.</p> <p>7. Review and update the organization's volunteer development plan.</p> <p>8. Review and update the organization's community relations plan.</p> <p>9. Review and update the organization's public relations plan.</p> <p>10. Review and update the organization's marketing plan.</p>	<p>1. Review and update the organization's charitable gift stewardship policies and procedures.</p> <p>2. Review and update the organization's charitable gift stewardship financial plan.</p> <p>3. Review and update the organization's charitable gift stewardship fundraising plan.</p> <p>4. Review and update the organization's charitable gift stewardship risk management plan.</p> <p>5. Review and update the organization's charitable gift stewardship vision and mission statement.</p> <p>6. Review and update the organization's charitable gift stewardship staff development plan.</p> <p>7. Review and update the organization's charitable gift stewardship volunteer development plan.</p> <p>8. Review and update the organization's charitable gift stewardship community relations plan.</p> <p>9. Review and update the organization's charitable gift stewardship public relations plan.</p> <p>10. Review and update the organization's charitable gift stewardship marketing plan.</p>



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Standards of Biblical Stewardship

Christ-centered and operating in accordance with Biblical truths and practices

-  Operating in accordance with Biblical truths and practices includes teaching and affirming doctrine, by word and deed, consistent with the Bible
-  Moral scandals are just as devastating as financial scandals to the credibility of organizations


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Standards of Biblical Stewardship

Independent, Responsible Board Governance

The importance of an active informed governing body cannot be overemphasized. Left unchecked, even minor board neglect can eventually intrude upon the accountability and effectiveness of the ministry.


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Standards of Biblical Stewardship


Independent, Responsible Board Governance

- When a ministry encounters failure its difficulties can almost always be traced to a breakdown in governance
- Organizations should seek individuals whose gifts and abilities will benefit the organization and who will provide dynamic interaction at board meetings
- An active, informed board will hold to the mission, protect the integrity of the ministry, and ensure consistent adherence to board policies
- Paul's instructions to Timothy in 1 Timothy 3:1-10 can serve as a helpful guide for the selection of board members
- After selecting board members, the organization should provide orientation and training

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Standards of Biblical Stewardship



Sound Financial Management
(audited, reviewed, or compiled financial statements by an independent CPA each year)

- Financial statements are key components of transparency, both within the ministry and to donors.
- Transparency flows from biblical principles
 - *This is the verdict: Light has come into the world, but people loved darkness instead of light because their deeds were evil. Everyone who does evil hates the light for fear that their deeds will be exposed. But whoever lives by the truth comes into the light, so that it may be seen plainly that what they have done has been done in the sight of God. - John 3:19-21*
- Transparency not only deters improper use of funds, but it also provides a defense to critics and a witness to believers and non-believers.





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Standards of Biblical Stewardship

Responsible use of resources and compliance with laws

- Reasonable procedures must be established to ensure that all funds are used in conformity with applicable laws and regulations and to fulfill the exempt purposes of the organization
- Fiduciary responsibility extends to all tax-exempt resources
 - Assets
 - Contributions
 - Earned revenue (tuition, fees, grants, etc)



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Standards of Biblical Stewardship

Several topics come to mind:


- Charitable Contributions
- Financial Sustainability
- International Activity
- Deputized Fundraising
- Housing Allowance

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Standards of Biblical Stewardship




Appropriate Transparency

The default position should be disclosure, not secrecy.

Far too often, charities approach the transparency issue by asking: "What do we have to disclose?" This assumes the default position is secrecy—that unless there's a clear requirement for the disclosure of certain information, that information should be kept secret.





A better question is "What do we need to keep confidential?" This question assumes that the default position is disclosure.



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Standards of Biblical Stewardship

- Integrity in compensation-setting and conflicts of interest
- Integrity in compensation-setting provides additional assurance to donors that the organization sets compensation and handles financial transactions in the best interest of the organization and its ministry
- A conflict of interest occurs when one party has a responsibility for promoting one interest but has a competing interest at the same time
- Any transaction with a related party should be conducted in a manner that demonstrates integrity and propriety

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Standards of Biblical Stewardship



God-Honoring Fundraising Practices


Truthfulness

- Everything done in the name of our Lord should reflect the truthfulness that's in keeping with His character.
- In deciding whether to support a particular ministry or program, those who donate to Christian ministries rely on the information the ministry provides. Therefore, organizations have the responsibility to represent facts truthfully when communicating with donors.
- Communicate appeals accurately, completely, and truthfully.



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Standards of Biblical Stewardship




God-Honoring Fundraising Practices

Donor expectations and intent

- Abiding by giver intent is one of the most important evidences of integrity when a ministry raises resources.


Charitable gift communication

- Donors should be provided with appropriate and timely charitable gift acknowledgements.
- For gifts of services or the use of facilities at no cost, only appreciation should be expressed, since the fair market value of these gifts is not tax-deductible.



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Standards of Biblical Stewardship



God-Honoring Fundraising Practices

Adopt a Gift Acceptance Policy

- Establishes guidelines in advance to deal with more complex gift forms.
- Outlines necessary due diligence related to certain gifts, such as real estate
- What will you receive?
- What restrictions will you accept?
- Ability to say "no" to certain gifts
- Manage the expectations of donors



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How **ECFA Accreditation** Benefits Your Church

ENHANCING TRUST

EXCLUSIVE MEMBER BENEFITS & RESOURCES

 Church Knowledge Center policies, procedures, and whitepapers	 Live Webinars and Recordings including CPE	 eBooks Complimentary Downloads
 ChurchBoardScore™ ECFA.church/churchscore	 Videos YouTube.com/TheECFA	
 Church Blog Large Church Trends	 ChurchPulse eNewsletter	 Tax Guides Complimentary Downloads

Learn more at [ECFA.org/Join](https://www.ecfa.org/join)

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ECFA Resources

Free Download at
[ECFA.org/taxbooks](https://www.ecfa.org/taxbooks)

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BEHIND THE SEAL
 ECFA PODCAST

EPISODE #3 SEASON 2

AVOIDING BURNOUT AND OTHER INTEGRITY TRAPS
 CAREY NIEUWHOF, AUTHOR/FOUNDER/CEO,
 CAREY NIEUWHOF COMMUNICATIONS

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“Our responsibility is to give the world the right impression of God.”

– John Wesley

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