Accountability, Donor Trust, Stewardship of Funds and Our Donors

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Christian fundraising is a function of Biblical stewardship. Saving faith touches all of life, which is a gift from God. Now, *"Faith is the substance of things hope for; it is the evidence of things not seen,"* (Hebrews 11:1). Biblical stewardship, therefore, plays an important role in the ability for Christian causes to build lifelong relationships with potential donors and attract financial support for specific projects for Church mission.

A general framework is needed for providing guidance to both givers and askers who are seeking a godly perspective on funding for a Christian mission. We are all bound up with one another. Even Christ is accountable—He is God's steward. It is His stewardship in which by grace we participate in giving and asking, and spending. Paul states, *"it follows that this is how one should regard us, as servants of Christ and stewards of the mysteries of God. Moreover, it is required of stewards that they be found trustworthy"* (1 Corinthians 4:2). It is a duty that many people share in various levels and in various ways. (see 1 Corinthians3:1-20.)

"Spiritual prosperity is closely bound up with Christian liberality." – Counsels on Stewardship, p. 49. At the heart of God-pleasing practices of giving and asking for funds is the ability to view the world, man, and human relationships from God's perspective. This perspective can be presented by answering four basic questions.

Whose money? All resources are God's. When we respond to a giving opportunity, we are releasing God's money to supply a need. Fundraisers are responsible for asking people to give, and for challenging potential givers to consider what they might do. In this sense they are stewards of the Lord.

Whose work? God works on the heart and motivates people to give. Prayer and hard work reflect the balance between dependence on God's blessing and the opportunities for generosity which a fundraiser presents. Keep in mind, faith, prayer, and dependence on God are not substitutes for effort, caution, and reason. When we realize that God works through people, programs, and organizations, our giving, asking and spending practices come into harmony with each other and the causes we represent.

Whose givers? People give for many reasons, including to make a difference, out of compassion, out of a sense of obligation to give back, and more. Today donors realize the inherent power they possess when they hold people and organizations accountable to their promises, programs and activities. This kind of responsibility is not just about keeping donors happy—it's an ethical duty, it is making sure donors know that you have honored your promised agreement.

Whose fundraisers? Certain people become responsible for seeking money, whether they are professionals or volunteers, lay members of the church or church leaders. Fundraisers are "workers in the vineyard," who care for the resources God has lent to each of us as caretakers-stewards. Fundraisers cannot sit on their hands when God calls them to move. Fundraisers and other leaders should set the pace. The commitment of the people will usually rise no higher than that of the leadership and the membership.

The Apostle Paul gives a New Testament example of fundraising for the relief of the saints at Jerusalem. In 2 Corinthians 8:20-21 he says, "We want no avoid any criticism of the way we administer this liberal gift. For we are taking pains to do what is right in the eyes of the Lord, but also, in the eyes of men." In verses 16-23, Paul reminds the church that God is omniscient and knows our hearts. People, however, usually demand more proof of honesty. Paul provided for this need by sending three people to handle the collection of the gifts, taking care to give credentials concerning the character of each. Fundraisers need to provide proof of their integrity to their donors, as do those in organizations that are receiving the funds and who are in charge of handling the money.

Donors have a responsibility to hold accountable all fundraisers and the organizations they represent. The money people bring to an organization is exchanged for a "relationship,"—a valued personal link with what God is doing in the world through the fundraiser, through the leadership of the organization, its employees, and its constituents.

Trust is highly significant in the relationships between donors and the people they serve. One of the unfortunate realities of the 1990s was that too many leaders, both in for-profit and nonprofit organizations, abused public trust. Stories of inappropriate behavior flooded the news media on a daily basis. Charges and countercharges regarding possible misappropriation of thousands and millions of dollars that were unaccounted for proliferated in the news.

So much distrust, deceit, and destruction caused society and individuals to engage in intensive self and collective examination and reflection in audits and in setting up "watchdog" organizations. In the absence of trust, no organizational structure will be effective. Only when people trust each other can they work effectively regardless of the structure. Trust matters because it affects how we relate to people, and ultimately how people relate to us in giving of their funds.

The ultimate responsibility for trust in any organization rests with its governing board, whether it is the private sector governing board or a nonprofit. Effective governing boards and executive committees must go beyond basic fiduciary oversight and become a reflective community of interpretation, where trustees can and do talk seriously about organizational purposes, effectiveness and efficiency, transparency and accountability.

The points explained above lead to a consideration of ethics. Ethics statements and discussions are concerned with prescribing and describing moral requirements and behaviors. There are acceptable and unacceptable behaviors. People and organizations

exist within a code of ethics. Being clear about standards and maintaining them is critical to building a long-term trusting relationship between the people who give, the people who ask for money, and how the money is spent. The integrity of those responsible for fundraising decisions is at stake. Our fundraising methods reflect not only our character, but also our values. They reflect who we are and what we do. We must value integrity in the way we raise money and honesty in the way we spend money.
Where are the funds spent? Are they being used for the purpose for which they were raised? Are they spent wisely? Also, what is our measure of results? How effective is what we do? What are our standards for transparency and accountability? We must live with our consciences. We must use Bible ethics. As the Apostle Paul said, *"So I (we) strive to keep my (our) conscience clear before God."* (Acts 24:16).

We must guard against ungodly behavior. All of us—givers and askers are vulnerable.

There are several things that the pastor must do to provide effective leadership for fundraising:

- He or she must take the lead in crafting or reviewing the church's vision, mission, and values statements to set the tone for the future and inspiring prospective donors to help.
- The pastor must view fundraising as an integral part of the regular giving of tithes and total offerings by the congregation as opposed to an ancillary function.
- The pastor, working with the church officers and the governing board must ensure transparency and accountability for measurable results. Transparency is of utmost importance in building a solid donor relationship based on trust.

Donor relationships are like any other relationship: they require an investment of time and energy. The goal of donor cultivation is to create a lifelong, mutually beneficial relationship between the donor and the church organization. Both receive something valuable out of a maturing relationship. In fundraising the organization receives ongoing, ever-increasing support that fuels the church's mission and vision and goals. The donor receives multiple benefits, the most important being the chance to express gratitude to God for His love, grace, mercy, and goodness. Other benefits include the joy of knowing that they are helping make the work of God possible and the joy of knowing and supporting the work of the church embodying its mission and ethos. This knowledge and joy of knowing they are making a difference cannot be achieved without the accountability and trust a church should engender.

Stewardship is maintaining something in trust for others. In the church, trustees, pastors, governing boards, staff – those who own or legally represent the owners of the organization – have primary responsibility and accountability for ensuring that the mission continues. This means reaffirming the vision, mission, and values of the organization – and members are called into a cooperative venture to maintain their resources in trust for the good of the community.

The intensifying competition for charitable funds and the erosion of self-regulation have drawn numerous "Caesars" at local, state, and federal levels to begin setting new boundaries. For example, common law trust and fraud doctrines, securities laws, charitable solicitation laws.State ordinances are laws that seek to control charitable abuses and fraud primarily by means of registration and disclosure. Also included in the accountability measures are annual tax returns for tax-exempt organizations, i.e, IRS form 990.

Congress has considered at least a dozen bills to regulate charitable fundraising, primarily because of highly-profiled abuses which were prominently scrutinized and displayed by media – the Revenue Act of 1987; the House Ways and Means Oversight Committee, The Internal Revenue Service has regulations where gifts to charities involve an exchange for goods or services. The IRS, through the Tax Reform Act of 1984, imposed new requirements on donors and tax-exempt organizations where noncash gifts were received. The donor must secure a qualified appraisal and complete additional tax forms inorder to make gifts of property to charities of $5,000 per year, and recipient charities in turn must complete and submit additional tax returns if that property is transferred within two years of receipt."

The law provides external restraints; ethics furnishes internal guidelines. Perhaps no single word summarizes the ethics of financial integrity better than accountability. Accountability suggests the Biblical concept of stewardship, but it places the emphasis on the important element of giving an account. This implies that there is both a standard by which actions and attitudes may be measured and a time of measuring. Accountability arises whenever one becomes a fiducia – that is, whenever one receives assets to be managed not for personal benefit, but for the benefit of others. Interesting is the similarity between the legal mandate and the scriptural mandate in determining the standards by which faithful stewardship will be evaluated. The law clearly establishes two legal standards: the law of loyalty and the law of care. The law of loyalty requires the avoidance of all conflicts of interest and personal benefit in the management of entrusted funds. The law of care requires the fiduciary to exercise reasonable and prudent care in managing and administering the entrusted funds.

There are basic elements of effective corporate accountability. Whatever the criteria, they will be of little meaning unless there is a vehicle effectively enforcing those standards. Assuming an effective self-policing mechanism is in place, the following five elements of corporate financial integrity and accountability can be implemented. Beyond self-definition, these include:

- Meaningful disclosure
- Meaningful budget process
- Effective internal controls
- Effective accounting system, and
- Annual audit

With these procedures in place, especially when springing from a solid foundation of personal integrity and when enforced by active self-policing organizations, Christian fundraising should demonstrate meaningful financial accountability.

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