

The Business Of Ministry: Lead 7V21
Taught by: Jan Cason, MDiv, MBA
Mondays – Spring 2014
9:30 – 12:10

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For appointments, please email to request a time

Course Description

This course is designed for church leaders to study church business concepts and basic administrative practices in order to enhance the vision and ministry of the church. Major emphases include constitution and bylaws, policies and procedures, financial processes, budgets, personnel issues, tax and legal issues, risk management, facilities management, church debt, social media, personal finances, donor issues, and stewardship philosophies.

Course Objectives

As a result of having taken this course, the student will demonstrate an ability to:

1. Understand and apply a biblical concept of the necessity of administration in the church.
2. Understand the reason for incorporation, state the purpose and objective of a church constitution, and explain the expected content of church bylaws.
3. Develop a church budget, read church financial reports, and look for possible issues in the financial processes of a church.
4. Understand the components of a personnel handbook and the steps involved when hiring or firing employees.
5. Explain tax laws and regulations as they pertain to the church.
6. Explain risk management issues of concern to a church.
7. Understand important legal issues that might hinder the ministry of a church.
8. Communicate a personal theology of stewardship.
9. Communicate the importance of ethical, sound business principles in the church.
10. Manage social media as a necessary tool for the church.
11. Manage personal finances as a minister in the church.

Required Textbooks / Resources

1. Bonem, Mike. *In Pursuit of Great And Godly Leadership*. San Francisco, CA: Jossey-Bass, 2012.
2. Malphurs, Aubrey and Steve Stroope. *Money Matters in Church: A Practical Guide for Leaders*. Grand Rapids, MI: Baker Books, 2007.
3. Moon, Robert. *My Pastor, My Money, And Why We're Not Talking*. Warrenton, VA: The Intermundia Press, LLC, 2012.
4. Powers, Bruce P. *Church Administration Handbook: Third Edition, Revised and Updated*. Nashville: Broadman and Holman Publishers, 2008.
5. *Texas Baptist Christian Life Commission. *Keeping Your Church Out of Court: Third Edition*. Ft. Worth, TX: Bourland, Wall & Wenzel, P.C., 2008.

*This resource will be furnished free of charge to each student in the form of a CD at the beginning of class.

Course Requirements

Complete required readings prior to each class session. Additional reading assignments may be given at the discretion of the instructor.

Papers should be written in Times New Roman, 12-point font with 1-inch margins. All assignment are to be submitted both electronically through "Turnitin.com" and as hard copy by the beginning of class on the published due date. **Assignments turned in past the due date will be reduced by one letter grade per day.**

Assignments:

1. Submit one example of a church that is having a legal, financial, or personnel issue that is disruptive to the ministry of the church. This can be an issue that you know of or have experienced personally or an issue that you found from a journal or news source online or in print. **Due January 13** at the beginning of class for discussion during the first session of class. Bring a hard copy of the issue to turn in.
2. Submit one example of a church policy. This can be a building/facility, budget/finance, office, or personnel policy. Preferably, this would be an actual policy from your own church. Email a copy to the instructor and to classmates prior to class. Bring a hard copy to class for the instructor. **Due January 27** at beginning of class.
3. Complete a Church Budget Projection excel worksheet using your church financials. Write a two-three page analysis of how the projections compare to the actual budget. Discuss the following questions in your analysis:
 - a. Does your church publish a mission/vision statement regularly? Do you think that having or not having a mission / vision statement effects the projections?
 - b. Is there a significant difference in the projection with Sunday School or Life Group numbers verses the projection with worship attendance numbers? Is there a conclusion to draw when comparing Sunday School or Life Groups to worship service numbers?
 - c. Does your pastor preach on stewardship? How often? Does that effect contributions?
 - d. Can you draw any additional conclusions?Submit the church financial report with your analysis. **Due February 10** at the beginning of class.
4. Church Budget Case Study – Prepare a proposed budget for the coming church year using the information in the case study, the budget worksheet that is provided, and the projected budget worksheet. There is not a “correct” budget – only a best possible budget. You will not be able to give all committees and teams all that they request. Write a 3-page explanation for how you arrived at your church budget. Be sure to address the following:
 - a. How do your budget allocations compare to the percentages recommended by Malphurs and Stroope?
 - b. Were you able to fulfill all the committee and ministry team requests? How did you decide which requests to fully fund and which requests to reduce?
 - c. Do you think that this budget supports the mission statement of the church?
 - d. Do you agree with the plans to build a new building and to hire a Children’s Minister?**Due February 24** at the beginning of class.
5. Write a 1 – 2 page paper describing your personal theology of stewardship. **Due March 24** at the beginning of class.

6. Read the book *My Pastor, My Money, and Why We're Not Talking* by Robert Moon. Also read the article, *Beyond the Money* by Bill McMillan, which will be provided for you by the instructor. Write a 4- 5 page paper discussing how to build a pastoral care relationship with wealthy congregants. Discuss the six mistakes that Robert Moon suggests. Compare these to the ideas suggested by Bill McMillan that financial leaders wish they could communicate. Consider the issue of how the church can help Christians relate finances to Biblical stewardship. Do you believe that there is a divide between the church and the workplace? Does this affect the ministry of the church? Include discussions from class with Andy Spencer. **Due April 7** at the beginning of class.

7. Create a one-page personal code of ethics which includes how you plan to manage your personal finances as a professional minister. **Due April 14** at beginning of class.

8. Write an 8-10 page evaluation of how business is conducted at your current church. Use the tools you have acquired from this class. Include the need for sound business practices from a biblical perspective and answers to the following questions:
 - a. Is your church incorporated?
 - b. Describe the church polity. Is it working well?
 - c. When were the constitution and bylaws written? Evaluate them on their relevancy for the current church body. Are there policies and procedures in place? Are they adequate?
 - d. Does your church have a mission / vision statement? Does your church use this statement as part of its strategy for developing the budget?
 - e. Who develops the budget? Does your church use a fundamental budgeting approach or a functional budgeting approach? If fundamental, how do the percentages compare to those suggested by Malphurs and Stroepe?
 - f. Are the financial reports adequate? Are there financial processes in place to safeguard church monies?
 - g. Is stewardship taught regularly in your church?
 - h. Is there a personnel manual? Are there job descriptions?
 - i. Who is responsible for paying the payroll taxes and recording the contributions?
 - j. Is the church in any way at risk?
 - k. Who is responsible for the facilities?
 - l. How well does your church use social media?
 - m. Is there a church administrator?
 - n. If you are/were the pastor, what steps will/would you take to improve the business practices of your church? Your intent will be to help the ministries of the church flourish.

Due April 28 at the beginning of class.

Examinations

There will be one final exam with a series of multiple choice, fill-in-the-blank, and short essay questions. The final will be comprehensive over all required reading material, handouts, and class presentations.

Grades

Grades will be assigned on a point system as follows:

Assignment #1	25
Assignment #2	25
Assignment #3	75
Assignment #4	200
Assignment #5	50
Assignment #6	175
Assignment #7	50
Assignment #8	200
Final	<u>200</u>
Total Points Possible	1,000

1,000 - 950 points = A
949 - 900 points = A-
899 - 870 points = B+
869 - 840 points = B
839 - 800 points = B-
799 - 770 points = C+
769 - 740 points = C
739 - 700 points = C-
699 - 600 points = D

Course Policies

Attendance Policy

Attendance is required at scheduled classes. A student must be present for 75% of the classes to receive credit, according to seminary policy. Attendance will be taken at each class.

Style Guide for Seminary Community¹

In preparing papers, reviews, and other written materials, students are required to follow the style guide developed by the Society of Biblical Literature (P. H. Alexander, et al., eds. *The SBL Handbook of Style*. Peabody, MA: Hendrickson, 1999). Students may access a truncated version on-line at http://www.sbl-site.org/assets/pdfs/SBLHS_SS92804_Revised_ed.pdf. This style guide provides the necessary information related to formatting a paper and also provides helpful examples for proper citation of various sources.

Plagiarism and Academic Dishonesty²

All Seminary students, as students enrolled in Baylor University, are subject also to general University regulations, including the Honor Code. Plagiarism is listed among the potential academic violations in the Honor Code. Baylor University has defined plagiarism as:

“incorporating into one's work offered for course credit passages taken either *word for word* or *in substance* from a work of another, unless the student credits the original author and identifies the original author's work with quotation marks, footnotes, or another appropriate written explanation.”

Students may claim that they did not *mean* to plagiarize or that it was unintentional. Intent, however, cannot be judged in such matters. If you submit a document that plagiarizes another source, then *you have committed plagiarism*. It is the responsibility of the student to check and recheck sources to insure that proper citations have been included. If in doubt, consult with your professor about proper procedure.

All students must submit papers, exams, and other written materials to “Turnitin.com.” This computer source will scan your document and determine if there is evidence of plagiarism. This search engine will also provide a citation of the source from which you have taken the text in question. Please be advised of the following statement:

Students agree that by taking this course, all required papers, exams, class projects or other assignments submitted for credit may be submitted to

¹ 2013-2014 Catalog of George W. Truett Theological Seminary, p. 44

² The following discussion on plagiarism is taken from the 2013-2014 Catalog of George W. Truett Theological Seminary, pp. 44-45.

turnitin.com or similar third parties to review and evaluate for originality and intellectual integrity. A description of the services, terms and conditions of use, and privacy policy of turnitin.com is available on its web site: <http://www.turnitin.com>. Students understand all work submitted to turnitin.com will be added to its database of papers. Students further understand that if the results of such a review support an allegation of academic dishonesty, the course work in question as well as any supporting materials will be submitted to the Seminary Ethical Conduct Committee for investigation and further action.

Consequences of Plagiarism:

Students who have submitted plagiarized work will face the following consequences:

1. The student will be penalized in accordance with the Baylor University Honor Code. Possible sanctions include, but are not limited to, failure/grade penalty on the assignment, rewriting the assignment, failure/grade penalty on the test, and failure/grade penalty in the course.

The professor is required to report all forms of academic misconduct to the Office of Academic Integrity. All matters of academic dishonesty, including student appeal, will be handled according to the University's Honor Code.

2. If a student commits plagiarism a second time, then according to the Baylor University Honor Code, the Office of Academic Integrity will refer the student's file to the Honor Council. The Honor Council will consider additional sanctions for repeat violations. Possible sanctions include, but are not limited to probation, suspension, and expulsion.

Policy on Access and Learning Accommodation³

Any student who needs learning accommodation should inform the professor immediately at the beginning of the semester. The student is responsible for obtaining appropriate documentation and information regarding needed accommodations from the Baylor University Office of Access and Learning Accommodation (OALA) and providing it to the professor early in the semester. The OALA phone number is (254) 710-3605 and the office is in Speight Plaza Parking Garage.

³ 2013-2014 Catalog of George W. Truett Theological Seminary, p. 45

Course Schedule

*Presentation by Guest Speaker

Session One – January 13

Class Introduction

What's So Important About Church Business?

When Churches Do Not Work Well

Church Polity

Church Organization

Required Reading:

Attachment #1– Syllabus

Attachment #2 - Syllabus

Bonem – Chapter 1-2

Malphurs/Stroope – Introduction and Chapter 6

Powers – Chapter 3 (pp 38-55) and Chapter 4

Assignment #1 Due

Session Two – January 27

Incorporation, Constitutions, Bylaws

Policies and Procedures

Mission, Vision

Required Reading:

I Corinthian 12:12-13:1

Bonem – Chapter 3

Steps to Incorporation For A Church in Texas -

<http://texasbaptists.org/files/2011/07/STEPS-TO-INCORPORATION-FOR.pdf>

***Keeping Your Church out of Court – Part A and Part B #1 & #2 (Pg 2-13),
Appendix 1, 2, and 3 (Pg 75-102)***

Dr. Clayton Turner, “Revise or Rewrite?”,

NACBA Ledger (Volume 31, Number 3, Fall 2012)

Bring To Class:

1. A copy of your church's Incorporation Document, Constitution, and Bylaws.

2. A copy of your church's Mission / Vision Statement

Assignment #2 Due

Session Three – February 3

Budgets

*Budgeting for Church Staff

Guest Speaker – Mike Harris, CFP

Area Director, Church Retirement Marketing

Guidestone Financial Resources

Dallas, Texas

Required Reading:

Bonem – Chapters 4

Malphurs/Stroope – Chapter 3-5

Powers – Chapter 7-8

Bring To Class:

- 1. A copy of your church's end-of-year Financial Statements for the past three years. The annual budget should be part of the Financial Statements.**
- 2. Both worship and Sunday School attendance averages for your church for the past three years.**

Session Four – February 10

Financial Statement Analysis

Debt

*Church Loans

Guest Speaker – Gerald James, President

Baptist Church Loan Corporation

Dallas, Texas

Required Reading:

Genesis 41:41-57

Bonem – Chapter 6-7

Malphurs/Stroope – Chapter 8, 9, and 12

Rebecca M DaVee, “Dear Senator Charles Grassley,”

NACBA Ledger (Volume 32, Number 1, Spring 2013)

Assignment #3 Due

Session Five – February 17

*Personnel Risk Issues

*Hiring Processes

*Personnel Files

*Personnel Policy Handbook

*Job Descriptions

*Payroll Taxes

Guest Speaker – Gayla C. Crain

Spencer Crain Cabbage Healy & McNamara

Dallas, Texas

Required Reading:

Bonem – Chapter 5

Malphurs/Stroope – Chapter 10

Powers – Chapter 5

Nathan A. Adams IV, “The Affordable Care Act”,

NACBA Ledger (Volume 32, Number 1, Spring 2013)

Session Six – February 24

*Facilities Management

Guest Speaker – Rick Cadden, CCA, CCBA
Associate Pastor of Administration
Columbus Avenue Baptist Church
Waco, Texas

Required Reading:

Bonem – Chapter 8

Powers – Chapter 9

**Bill Wilson, “Why Your Building Use Policy Matters”,
NACBA Ledger (Volume 32, Number 1, Spring 2013)**

Assignment #4 Due

Session Seven - March 3

*The 4 Buckets of Risk Management and a Framework for Reducing Risk

*Financial Risks

*Personnel Risks (including Sexual Abuse)

*Insurance Risks

*Liability Risks

Guest Speaker – Patti Malott, Founder and President
Upright Ministries
Spring, Texas

Required Reading:

Malphurs/Stroope – Chapter 7

Session Eight – March 17

Theology of Stewardship

*Inviting Stewardship

*Increasing Your Church’s Resources

Guest Speaker – Bill Arnold, Director
Texas Baptist Missions Foundation
Dallas, Texas

Required Reading:

Malphurs/Stroope – Chapter 1, 2, and Appendix A

**Ben Stroup, “Should pastors know what church members give?”,
NACBA Ledger (Volume 29, Number 3, Fall 2010)**

**Ben Stroup, “Church Giving: The Rules have Changed”,
NACBA Ledger (Volume 29, Number 1, Spring 2010)**

**Matt Branaugh, “Five Online Giving Lessons for Churches”,
*Managing Your Church: Helping Churches Stay Safe, Legal, and
Financially Sound* (May 1, 2012)**

Session Nine – March 24

*Bridging The Gap Between The Church and The Workplace.

*Building Pastoral Care Relationships With the Wealthy

Guest Speaker – Andy Spencer, President

Engedi Group

Past President – Arthur Fluid System Technologies Ltd.

Austin, Texas

Required Reading:

Bonem – Chapters 9-12

Moon – My Pastor, My Money

Bill McMillan, “Beyond the Money”

NACBA Ledger (Volume 32, Number 2, Summer 2013)

Assignment #5 Due

Session Ten – March 31

*Social Media in the Church

Guest Speaker –Natalie Aho, Communications Consultant

Center for Congregational Health

Winston-Salem, North Carolina

Additional clients include:

The Associated Baptist Press

Alabama Cooperative Baptist Fellowship

Carenet Counseling

Website: www.digitalclergy.com

Session Eleven – April 7

Personal Code of Ethics

*Personal Budgeting

*Minister’s Taxes

Guest Speaker – Jeff Schmeltkopf, Owner/Partner

Dean, Jacobson Financial Services, LLC

Ft. Worth, Texas

Required Reading:

Power – Chapter 13

Ministerial Ethics: A Covenant of Trust – Christian Life Commission

<http://texasbaptists.org/clc/ethical-living/ministerial-ethics/>

Assignment #6 Due

Session Twelve – April 14

Q&A with a Local Church Administrator

Guests – David Cozart, MDiv

Minister of Administration and Christian Education

Meadowbrook Baptist Church

Waco, TX

-Mark R. Hall, MDiv

Associate Pastor

First Baptist Church

Muskogee, OK

Assignment #7 Due

Session Thirteen – April 28

*Keeping Your Church Out of Court

Guest Speaker – Ferrell Foster

Director, Ethics and Justice; and Coordinator, Texas Baptist Hunger Offering

Texas Baptists, Christian Life Commission

Dallas, Texas

Required Reading:

Malphurs/Stroope – Chapter 11

Powers – Chapter 12

Assignment #8 Due

Final Exam – May 13, 9-11am

Other Resources

ECFA (Evangelical Council for Financial Accountability), Winchester, VA

<http://www.ecfa.org>

NACBA (National Association of Church Business Administration), Richardson, TX

<http://www.nacba.net/Pages/Home.aspx>

IRS Publication 1828 – Church Tax Guide

IRS Publication 517 – Minister's Personal Tax Guide

Tax Law e-newsletter - www.churchlawtodaystore.com

www.BuildingChurchLeaders.com

http://www.sos.state.tx.us/corp/nonprofit_org.shtml

ATTACHMENT #1:

EXECUTIVE SUMMARY

It is imperative that the church as an organization manages its affairs if there is to be an atmosphere of trust among the congregants. Management of the affairs of the church is accomplished by using good business practices. Ultimately, successful churches must be good stewards.

The church stands in jeopardy of tarnishing its reputation and losing its ability to minister when administrative matters are relinquished to the realm of the unimportant. It is essential that the church not be caught in a situation that could have been avoided if good administrative tools had been in place. The church as an organization must be responsible for implementing the necessary business guidelines and procedures in order to fulfill its desired end of ministry to the congregants and the community.

Administration in the form of good business practices is demanded by those outside of the church in the form of government requirements and legal regulations. Tax issues and legal documents have become an ever-moving target. Ministers often do not have adequate training regarding church business matters, nor do they have time or interest in acquiring the necessary knowledge to keep up with the constantly evolving issues.

Business practices are often rejected by the congregants and leaders because the church is about “spiritual” business rather than income statements and policies. However, in today’s world, ignoring sound administrative procedures is risky business for any church, large or small. Additionally, no matter how administrative issues are perceived, someone in the church is doing the work of administration, be it minister, staff, committee member, or volunteer. Whether or not it is called administration, the work and knowledge required to perform the necessary tasks are increasingly demanding and important.

Church Administration has become a new science. It involves a learned knowledge of both

procedures and techniques that produce sound business practices from the perspective of those outside the church. It involves relationship building both within the church body and out in the surrounding community. It requires a keen intuition enhanced by experience and training in order to understand the spiritual side of the organization. Church Administration is a measurable metric that the church can use to show the community that it is living its values.

The administrative functions required to fulfill the necessary tasks are somewhat similar for all churches, regardless of the size. Ideally, all churches would have a staff member to fill the role of Church Administrator. However, churches with worship attendance under 500 may not have the resources to hire an administrator. Many churches of medium size with worship attendance between 500 and 1,000 have realized the need for an administrative position, but do not have operational guidelines, policies, or procedures in place. Many larger churches with more than 1,000 in worship attendance do have Church Administrators in place but are nonetheless lacking many procedural areas. Therefore, pastors and other church leaders need a foundational background in the business side of church in order to keep a watchful eye on possible issues that could hinder the ministry of the church.

Ultimately, sound administrative practices will result in churches that are able to maximize their resources in such a way that the lives of people, communities and the world are enriched for the glory of God's Kingdom.

Jan Cason
April 2011

INTRODUCTION

NUMBERS

Becoming a truly human community is a long, complex, messy business. Simply growing up as a man or woman demands all the wisdom and patience and courage that we can muster. But growing up with others, parents and siblings and neighbors, to say nothing of odd strangers and mean enemies, immensely complicates the growing up.

The book of Numbers plunges us into the mess of growing up. The pages in this section of the biblical story give us a realistic feel for what is involved in being included in the people of God, which is to say, a human community that honors God, lives out love and justice in daily affairs, learns how to deal with sin in oneself and others, and follows God's commands into a future of blessing. And all this without illusions.

Many of us fondle a romanticized spirituality in our imaginations. The "God's in his heaven/all's right with the world" sort of thing. When things don't go "right" we blame others or ourselves, muddle through as best we can, often with considerable crankiness, and wish that we had been born at a different time—"Bible times" maybe!—when living a holy life was so much easier. That's odd because the Bible, our primary text for showing us what it means to be a human being created by God and called to a life of obedient faith and sacrificial love, nowhere suggests that life is simple or even "natural." We need a lot of help.

We need organizational help. When people live together in community, jobs have to be assigned, leaders appointed, inventories kept. Counting and list-making and rosters are as much a part of being a community of God as prayer and instruction and justice. Accurate arithmetic is an aspect of becoming a people of God.

And we need relational help. The people who find themselves called and led and commanded by God find themselves in the company of men and women who sin a lot—quarrel, bicker, grumble, rebel, fornicate, steal—you name it, we do it. We need help in getting along with each other. Wise discipline is required in becoming a people of God.

It follows that counting and quarreling take up considerable space in the book of Numbers. Because they also continue to be unavoidable aspects of our becoming the people of God, this book is essential in training our imaginations to take in some of these less-than-romantic details by which we are formed into the people of God.