

The background of the slide is a dark blue gradient with a series of curved, glowing lines that create a sense of depth and movement, resembling a tunnel or a stylized architectural structure.

**LOVING ARMS WORLD MINISTRIES &
APOSTOLIC COUNCIL OF CHURCHES
OPEN ARMS INT'L FAITH ASSEMBLY**

CHURCH ADMINISTRATION & FINANCE (CA&F)

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Church Administration & Finance

Biblical Principles to Consider

#1. HEBREWS 12:25-28

- If it can be shaken it will be shaken.
- The Kingdom must be assembled in such a way that it can endure shaking.
- Serving God with reverence and godly fear is our primary quality control mechanism.

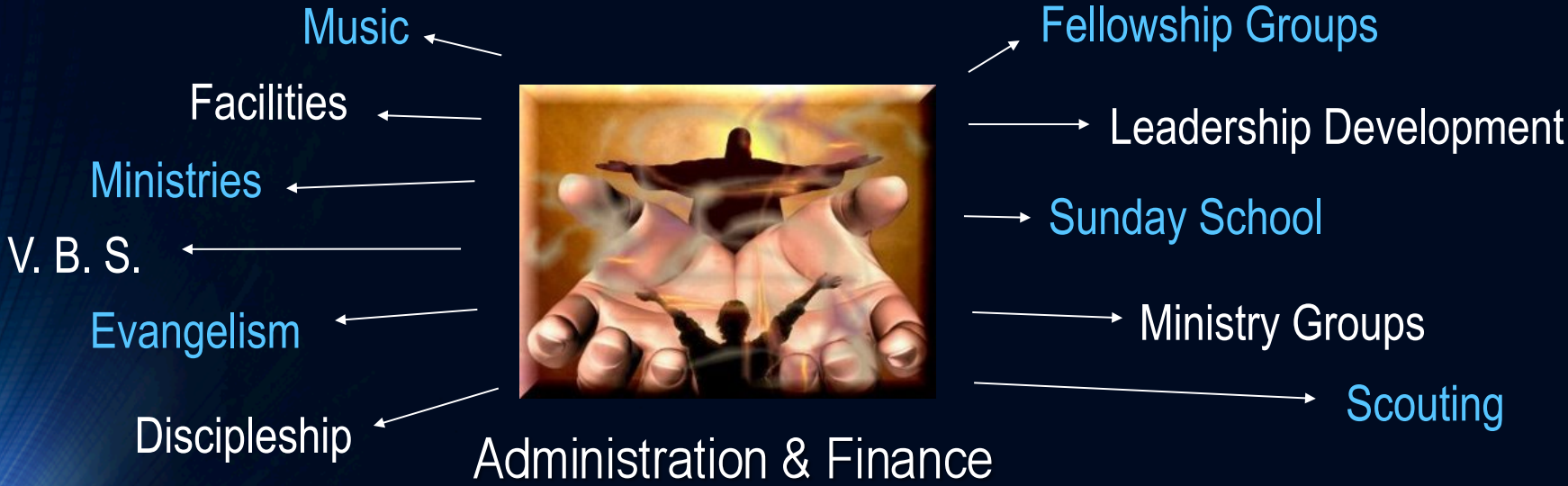
Church Administration & Finance Biblical Principles to Consider

#2. 1 CORINTHIANS 3:9-15

- The Kingdom can only be constructed by those who exercise wisdom.
- A day of “fire” will reveal the quality of your work.
- Only those works of “lasting” value will be rewarded.

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A "Component Model" Kingdom



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Assumptions We Must Operate With

1. The Government is not our friend and will not understand ecclesiastical reasoning.
2. If we can be undermined by poor business practices we will be.
3. If it can be reviewed. It will be.
4. If it is not documented it did not happen or does not exist.
5. “I did not know” and “I did not understand” is not an acceptable answer.

Church Administration & Finance Administrative Documents

BY-LAWS

- ❖ Define
- ❖ Explain
- ❖ Limit
- ❖ Record of Adoption
- ❖ Annual Review & Ratification

Church Administration & Finance Administrative Documents

ARTICLES OF FAITH

- ❖ Explain Your Doctrinal Positions
- ❖ Define Key Terms & Concepts
- ❖ Clarify Membership Expectations
- ❖ Accurately Reflect The Cultural Norms
- ❖ Substantiated With The Bible

Church Administration & Finance Administrative Documents

ARTICLES OF INCORPORATION

- ❖ Federal documentation
- ❖ State documentation
- ❖ Non-profit Incorporations & Federal Tax Code 501C3

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Administrative Personnel

OFFICERS

Pastor/President & CEO

Board Members

Secretary/Treasurer/CFO

Chief Operations Officer

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Administrative Personnel

KEYS TO SUCCESSFUL COLLABORATION

- ❖ Defined & Documented Vested Powers
- ❖ Open & Effective Lines of Communication
- ❖ Standardized & Documented Qualifications
- ❖ Regular Ratification

Discipleship – Rules to Live By

1. Documented & Standardized Discipleship Process
2. Documented & Standardized Removal Process
3. Pledge/Acknowledgment Cards
4. Annual Review & Audit of Discipleship Roster

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Conducting Corp Business

THE “MUSTS”

1. Meetings of Consequence
2. Robert’s Rules of Order
3. Standardized Corporate Records/Minutes
4. Conflict of Interest Clause

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Financial Management

TYPES OF REVENUE

Tithing

Offerings

Designated Funds

Trusts

Pledges

Grants

In-Kind Donations/Services

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Financial Management

EXPENSE CATEGORIES

Pastoral Compensation

Ministry expense

Special projects

Facilities

Capital Expenditures

Special Offerings

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Financial Management

G.A.A.P. (Generally Accepted Accounting Principles)

Receipt of Revenue
Deposits
Expenditures
Fund Designation/Charged
Documentation
Reporting
Auditing

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Financial Management

CASH FLOW

- ❖ Financial Analysis
 - Where is the money going?
- ❖ Cost analysis
 - What is it going to cost?
- ❖ Budget analysis
 - Where do we allocate and how much do we allocate?
- ❖ Nickel & Dime Analysis
 - How do we do it for less?

LAWM/LACC/OAFA

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Finance “PRINCIPLES OF GIVING”

Preamble

As our creator, God has given us certain laws of love, gracious, caring guidelines to live by. When we follow those principles, we find deeper joy and greater fulfillment. Some of those guidelines relate to the money he has entrusted to our care, financial resources he urges us to generously share with others.

Tithing is an obligation.

Giving is from the heart.

We cannot live and not give.

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“PRINCIPLES OF GIVING”

- ❖ There are two related ways in which Christians are authorized to practice freewill giving. The primary New Testament prescription for funding the Lord's church is weekly freewill giving on the Lord's Day as a part of worship (1 Corinthians 16:1-2).
- ❖ Freewill Offering is characterized by purposeful giving according to one's prosperity or commensurate with one's resources (2 Corinthians 9:7; 1 Corinthians 16:2). An additional New Testament prescription for funding the Lord's church is through spontaneous Freewill giving (Acts 4:34-37, an example).
- ❖ There is no stipulation in Scripture that the Freewill giving of Acts 4-5 was during Lord's Day worship, in view of the coming and going of Christians as well as presenting the money to the apostles in Acts 5:1-10.

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“PRINCIPLES OF GIVING”

- ❖ Since the churches of Christ belong to Jesus Christ, they are obligated to finance themselves only in the way the New Testament authorizes. Further, LAWM/LACC/OAFA shall only spend money on things that are authorized in the New Testament (i.e., through direct statements, approved examples and divine implication). No church is authorized to fund religious activities through any means other than freewill giving.
- ❖ Further, no church is authorized to spend money on things not indicated in Scripture. Incidentally, many churches exist in direct opposition to what God through the New Testament has authorized in virtually every aspect of Christianity.

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**“PRINCIPLES OF GIVING”
LOVING ARMS WORLD MINISTRIES &
APOSTOLIC COUNCIL OF CHURCHES
OPEN ARMS INT’L FAITH ASSEMBLY
is a Free Will Giving Fellowship.**

**We base our giving on the four general types of
giving...**

“PRINCIPLES OF GIVING”

1. Cheerful Tithe

This follows the paths outlined in the Old Testament Covenant (OTC) to instruct them in their giving while cheerfully and willingly submitting themselves to that authority.

2. Cheerful - Spirit Led Giving

This follows the paths outlined in the New Testament Covenant (NTC) to instruct them in their giving and cheerfully and willingly submit themselves to that authority.

“PRINCIPLES OF GIVING”

3. Un-Cheerful Tithe

This follows the path of giving a tithe is right, but generally the giver either struggles to or don't give in accordance to the paths of giving as outlined in the OTC

4. Un-Cheerful Spirit Led Giving

This is free-will is right, but generally giver either struggles to or don't give in accordance to the paths of giving as outlined in the New Testament Covenant.

Free Will Giving Clarified

- The churches of Christ, though, are obligated to follow the divine will for funding religious activity. There are a number of religious activities indicated in the New Testament that may require the church to spend money.
- Financially support preachers of the Gospel (1 Corinthians 9:4-14).
- Financially support elders (1 Timothy 5:17-18,).
- Financially support widows (1 Timothy 5:3-16).
- Financially support evangelism in its own community or other communities (2 Corinthians 11:8; Philippians 4:14-16)
- Financially provide for its own edification (1 Corinthians 14:12 & 26).
- Financially assist all those in need benevolent relief (Galatians 6:10; 2 Corinthians 9:13; & Matthew 5:43-4).

Anything not specifically stated in the New Testament, not a part of evangelism, edification or benevolence and not otherwise authorized by direct statements, approved examples or divine implication is not something on which the Lord's money should not be spent.

Free Will Giving Clarified

Freewill giving is the only means authorized in the New Testament for funding religious activity. In addition, only the religious activity authorized in the New Testament for the church to perform can avail itself of the money collected by the Lord's church. Any activity that does not relate to one of the three missions of the Lord's church or that is not otherwise specified in the New Testament is not an appropriate expenditure for church funds. Generally, the Lord's church requires funds for evangelism, edification and benevolence (Mark 16:15-16; 2 Corinthians 11:8; 1 Corinthians 14:12, 26; Galatians 6:10; 2 Corinthians 9:13; Matthew 5:43-48).

How to Give

- ❖ ***Give Cheerfully*** - 2 Corinthians 9:7
- ❖ ***Give Generously*** - 2 Chronicles 31:5, 1 Chronicles 29:14-17, & 1 Timothy 6:17-19
- ❖ ***Give Systematically*** - Deuteronomy 14:22, Genesis 28:16-22, & Proverbs 3:9-10
- ❖ ***Give Reverently*** - Matthew 2:11, Deuteronomy 14:23, Leviticus 22:20, & Malachi 1:6-9
- ❖ ***Give Eternally*** - Matthew 6:19-20, 1 Timothy 6:19, Mark 10:21, Hebrew 11:13-16
- ❖ ***Give Extravagantly*** - John 12:1-8, Mark 12:41-44, 1 Chronicles 29:2-9, Exodus 35

How to Give

- ❖ **Give Proportionally** - 1 Corinthians 16:2, Deuteronomy 16:17, Exodus 35:5, and Ezra 2:69
- ❖ **Give Faithfully** - 1 Corinthians 16:2, Deuteronomy 14:27, 2 Chronicles 31:4-8
- ❖ **Give Joyfully** - 2 Corinthians 8:2, 2 Chron 24:10, 2 Chronicles 29:36, and 1 Chronicles 29:17
- ❖ **Give Willingly** - 2 Corinthians 8:12, Exodus 35:21-22, and 1 Chronicles 29:6
- ❖ **Give Regularly** - Deuteronomy 16:16, 1 Corinthians 16:2, & Nehemiah 10:35-39
- ❖ **Give Expectantly** - Malachi 3:8-10, Genesis 28:20-22, Luke 6:38, 1 Kings 17:13-16, and 2 Corinthians 9:6-11

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LUKE 6:38

Most misunderstood verse in the bible!

This verse is not primarily about money!

- Vs 35 “Love your enemies”
- Vs 36 “Be Merciful”
- Vs 37 “Judge Not, Condemn Not, & Forgive”
- In Vs 38 Give means to give “Love, mercy, no judgment, no condemnation, and forgiveness” and these things will be given unto you in good measure, pressed down, shaken together, and running over...”
- Money is automatic

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Why We Give

Why Giving is Important

1. Giving Makes You More Like God (John 3:16)
2. Giving Draws You Closer to God (Matthew 6:21)
3. Giving Strengthens Your Faith (Proverbs 3:5-9)
4. Giving is An Eternal Investment (1 Timothy 6:18-19)
5. Giving Reveals Your Spiritual Maturity (2 Corinthians 8:7)

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Why We Give

Giving with Purpose

- Give More Than You Expect to Receive
- Give out of Love – Not out of Obligation
- Give to the value to what you are giving.
- Give from the direction of God
- Give with purpose

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Five Scriptures You Should Know About Money

Philippians 4:19

Acts 20:35

Proverbs 22:7

1 Timothy 6:10

Luke 6:38

Church Administration & Finance Internal Control Policy

- Financial policy and authority guidelines should be written and approved by the Board and Finance Committee
- Program leaders (with authority by Board and Finance Committee) authorize expenses-not Treasurer
- Invoices required for all payments from all accounts
- Treasurer disburses funds once invoices are approved
- At least 2 persons listed as authorized signatures on all accounts

Church Administration & Finance Recordkeeping

- Financial Secretary records offering count details received from Counters
- Offering totals should be given to the treasurer or financial secretary to record deposit
- Financial Secretary's deposit log should be compared to the bank statement to verify deposits (by bank reconciliation reviewer)
- Pastors should not be involved in the weekly financials of the ministry

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Custody of Money Collected

- Counting team: at least two unrelated persons
- Count offerings and document totals – not treasurer and not financial secretary
- Offerings deposited the same or next business day
- Locked Money Bag – Always a two person custody.

Church Administration & Finance Reporting and Review

- Reconcile all accounts monthly
- Someone other than treasurer or fin. sec. review bank recs at least bi-annually
- Includes statements, invoices, checks written, financial reports
- Treasurer makes at least quarterly detailed reports of budget and designated fund activities to the Finance Committee

Church Administration & Finance Reporting and Review (cont.)

- There must be an annual evaluation of financial records
 - details \geq Local Church Audit
 - includes ALL accounts of the church, but LAWM/LACC/OAFA may be under separate evaluation/audit)
 - ALL include the general fund, building funds, designated accounts, cemetery funds, discretionary funds, Sunday school accounts, etc.

Church Administration & Finance Reporting and Review (cont.)

- External audit of ALL accounts at least every 3 years for churches with disbursements > \$500k/year
 - An annual evaluation should be performed during the interim years.
- External audit of ALL accounts annually for churches with disbursements > \$1 mil/year

Church Administration & Finance Segregation of Responsibilities

- Ideally, 4 individuals needed for regular financial procedures:
 - Treasurer/Trustee
 - Financial Secretary
 - Invoice reviewer and approver
 - Bank reconciliation reviewer
 - ❖ *3 possible with proper segregation*

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Local Church Audit

- Why Conduct an Audit?
 - Disciplinary
 - Protection for you!
 - Build Trust and Confidence
 - Set habits of Responsibility
 - Reassure Donors
 - Provide Checks and Balances

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Local Church Audit

- Who can do an audit?
 - ✓ Independent
 - ✓ Qualified
 - ✓ Not necessarily a CPA

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Local Church Audit

- What does an audit do?
 - ✓ Verify reports
 - ✓ Document restrictions
 - ✓ Evaluate processes
- What is included in an audit?
 - ✓ *ALL* funds

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Take This to Heart

- ❖ CA&F is one component of the organizational apparatus you are putting together to do the work of God in your community.
- ❖ CA&F is the platform component upon which all the other components rest.
- ❖ If you mismanage CA&F your vision, your talent, your capacity, your resources - everything God gave you - rests upon a faulty platform and will be shaken down.



Thank you for your participation today!

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