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Balancing money and mission in a local church budget

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Abstract

Purpose. This study of budgeting practices and attitudes to budgeting in a local church uses Booth's (1993) framework to consider the potential conflict between the "sacred" agenda of the church and the "secular" nature of accounting. **Design/methodology/approach.** Over a six month period, the author conducted a series of semi-structured interviews with key church leaders, and studied financial reports and the minutes of church meetings. **Findings.** Clergy and lay people alike, far from viewing accounting as an unwelcome intrusion into their church's sacred agenda, integrated belief in their church's mission with the need to raise and manage the money necessary to mobilise that mission. **Research limitations/implications.** Religion and religious organizations occupy a greater importance in society than academic accounting research would indicate, and this paper represents a response to that academic blind spot. Opportunities abound for further studies of the contribution accounting makes to other religious organizations, and to non-profit organizations whose goals are not primarily wealth creation. **Practical implications.** All organizations, even those with a sacred agenda, need to confront the reality of money and accounting if they are to achieve success. If they are unable to obtain or account for the resources they need for their mission, their ability to fulfil that mission is likely to be compromised. **Originality/value.** By portraying accounting as an enabling and liberating contributor to a church's fulfilment of its spiritual mission, this study demonstrates that attitudes to accounting are inextricably intertwined with religious beliefs, and that accounting can be a valuable tool in a cooperative attempt to implement a spiritual vision.

Keywords

Accounting in churches; Mission; Religious organizations, Sacred and Secular, Stewardship

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by

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All organizations, even those with a sacred agenda, need to confront the reality of money and accounting if they are to achieve success. If they are unable to obtain or account for the resources they need for their mission, their ability to fulfil that mission is likely to be compromised.

By portraying accounting as an enabling and liberating contributor to a church's fulfilment of its spiritual mission, this study demonstrates that attitudes to accounting are inextricably intertwined with religious beliefs, and that accounting can be a valuable tool in a cooperative attempt to implement a spiritual vision.

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Religion figures much more prominently in social life than in sociology. Indeed, there is perhaps no greater disproportion between the concerns of sociologists and those of the rest of the members of contemporary society (Calhoun, 1999, p. 237).

Introduction

Can accounting assist an organization to fulfil a spiritual mission, or is it so inherently secular an activity that it is doomed to a sinister existence, exerting an oppressive and divisive influence on the world? This paper considers this issue from the viewpoint of a local church and the way it uses accounting, taking the view that if a religious organization can co-exist with accounting, or even more, embrace it as a valuable tool in the fulfilment of its spiritual mission, then perhaps accounting has potential of a kind not generally recognised.

While accounting uses numbers extensively, is not an objective practice. It operates within peopled organizations, and can play a political role, influencing profoundly the way “external and internal constituents think about and act concerning the organization” (Covaleski et al, 1993, p. 67), by affecting the formation of agenda, decision making and subsequent actions. Critical accounting theorists often view accounting as complicit in the growth of capitalism, a powerful political tool. At the same time, they issue a challenge for accounting academics and practitioners to move “beyond interpretation of the world to changing the world” (Lawrence, 1995, p. 13). In this academic discourse, relatively little attention has been paid to the significance of accounting in religious organizations, and whether it could be used to further religious beliefs and practices.

How does accounting, if it is inherently a sinister practice, fraught with possibilities for manipulation, fit into the context of a religious organization? Is there a contradiction between the spiritual nature of a church and its need to gather resources in order to fulfil these aims? How does an organization such as a church, with a spiritual agenda, reconcile this potential tension, and what part does accounting play in its working out? Are there implications, because of the spiritual nature of a church, for the acceptance of accounting as a legitimate management tool? Is accounting merely tolerated as an undesirable but necessary intrusion into the sacred business of church (Laughlin, 1988, p. 38)? Budgeting has been described as “a complex behaviour that has little impact in a sacred environment” (Kluvers, 2002, p. 12), and a division between the sacred and the secular has been proposed (Laughlin, 1988; Booth, 1993). At the same time, it has been suggested that this division can be reduced, but there has been little coverage of this possibility in research on accounting in churches, let alone the concept that accounting could actually be used to further spiritual goals.

While some studies have focused on the acceptance of accounting in specific religious organizations (Faircloth, 1988; Swanson and Gardner, 1986; Jacobs and Walker, 2000), it has been proposed rarely that accounting has the potential, as a manifestation of holistic

stewardship, to be consistent with a church's sacred agenda and to assist it in achieving its spiritual goals. Berger (1967, p.3) asserted that "every human society is an enterprise in world-building" and "religion occupies a distinctive place in this enterprise". If the prevalence of religion and, by extension, the significance of religious organizations, is accepted, then the way accounting is treated in these organizations ought also to reveal, at a profound level, something of the inherent nature of accounting.

This study of a budgeting system in a local church uses Booth's (1993) framework to consider these issues. First, the methodology of the study is described, and then the local church is introduced, and its setting, structure, financial requirements, staffing and budgeting described. Following this, Booth's three factors (1993) are introduced and considered in relation to the church's budgeting process: the religious belief system; church members and occupational groups; and organizational resources. Each of these is viewed from the perspective of the church's budget, and assessed in the light of existing research on accounting in churches before conclusions are drawn about the significance of this study.

Methodology

While this church is part of a large, institutionalised church, at a local level it is an ideal place in which to explore the dynamics of attitudes to accounting. The study was undertaken in a formal sense over a six month period, but in an informal sense for longer, since the author, by the time of the completion of the study, had been a member of the church for eight years. The focus was not merely on accounting numbers and procedures, but on the way people used them and interpreted them, with a special emphasis on any potential resistance to accounting within the church. Financial reports and the minutes of parish council^[1] meetings from 1988 to 1995 were studied, and annual meetings of church members were attended for the years 1988 – 1995^[2], giving insight into how church members perceived those reports. Six semi-structured interviews were conducted with key members who had some leadership responsibility in the church^[3]. Interviews, while they have limitations, are capable of providing greater insight (Collins and Bloom, 1991, p. 30) into the actual motivations and attitudes of people. In this case, the issue was the attitudes of the senior minister and church members to accounting and how it was linked to their religious beliefs and sense of mission. Almost all the interviewees thought, initially, that they were going to be judged about how much they knew about the church's accounting system, and a number joked that the interview would not take long, since they did not know much! All relaxed when it became apparent to them that it was their perceptions and use of accounting that were being discussed, and not their technical expertise.

It must be acknowledged that although researchers conducting such research "may in due course develop new concepts and models as a result of a given study" most bring to their research their own set of beliefs and preconceptions (Smith et al 1988, p.99). This is especially true in this case, not only because the notion of a potential sacred/secular tension was adopted, but also because the author was a member of the church. It is difficult to

assess the impact of these factors on the interviews that were conducted, as people *appeared* to speak very frankly on most issues, and, as there was already a relationship between interviewer and interviewee, the interviews were able to proceed fairly rapidly.

The next section presents background information about the local church, including its diocesan setting and the local budget process.

The local church

Setting

The church that is the subject of this study is a local church within the Anglican diocese of Sydney, Australia. The diocese, in 1995, at the time of the study, comprised five regions, and within those regions, a total of 270 “parishes” or areas, with defined geographical boundaries. Situated in the suburb of a large city, outside the Sydney metropolitan area, this church was large by Anglican standards, being the 9th largest in the diocese in terms of gross receipts in 1994 (*Year Book of the Diocese of Sydney*, 1996, p. 570).

This particular parish owned two church buildings, one a multi-purpose complex, with a weekly attendance at church services of 650, and the other a small historic “branch” church, with a small weekly attendance of around 20. The multi-purpose complex was opened in 1983, and represented a project that was undertaken both to centralize resources (both property and staff) and to maximize effectiveness in the local community. A multi-staffed church^[4], it was situated in middle-class suburbia, in an area where, at the time, there was considerable growth of new dwellings. The dominant church culture was one where growth was perceived to be desirable, and it was accepted that some aspects of growth could be measured in numerical terms.

Structure and financial requirements

Being part of a diocesan structure, any local Anglican church is, in one sense, at the bottom of the organizational hierarchy. The diocesan Synod, which meets annually, could be described as the parliament of the diocese. It is responsible for electing the Archbishop as well as the standing committee, an elected subset of the synod that meets regularly throughout the year. It is made up of both clergy and lay people, and is chaired by the Archbishop. Its purpose is to determine and further diocesan policy. Regional bishops are appointed by the Archbishop, and lead their regions in pastoral and administrative matters. Each is assisted by an Archdeacon, who is usually, though not always, an ordained person. Every region has a number of parishes, which are grouped into area deaneries, with an area dean appointed by the regional Bishop. In this particular region, the area dean, rather than having authority over individual clergy, fulfilled a communication and encouragement role. Finally, individual parishes may be made up of one or several churches, with one or more ordained clergy and staff, and, of course, local parishioners or church members. A parish is defined partly by its ability, and while there is “more to parish viability than money” (*The Seventh Handbook*, 1994, p. 32), it must be able, from local revenues,

... to meet its direct ministry costs, to provide and maintain adequate buildings for ministry, to service debts, to make contributions through Synod assessments towards its insurance and indirect ministry costs and to help support the wider missionary enterprise of the Church (*The Seventh Handbook*, 1994, p. 31).

The “manual” of the diocese, at the time of this study *The Seventh Handbook* (1994), set out the responsibilities and requirements of the various office-bearers within the diocese, at both diocesan and parish levels. Designed principally as a reference manual for the ordering of church administration, it explained the official lines of responsibility, especially for finances, within parishes, and also stated what the diocese required with regard to the keeping of accounts and financial records. Accounts in the format the diocese required were to be prepared annually for lodgement with the diocese, and were also to be made available to congregational members at the local parish’s annual vestry meeting. The fact that they were required to be audited was an important consideration, which emphasized the official stand on financial accountability. Apart from satisfying accountability requirements, these annual financial returns were used by the diocese to make assessments on local parishes. These assessments were a form of tax, used to pay for various diocesan expenses, as mentioned above.

As noted, each parish in the diocese was responsible for raising its own finance and paying its own minister(s). In fact, it was the ability to be able to provide the funds necessary to employ an ordained Anglican minister that gave a local church the status of a “parish”, and with it the right, under church law, to nominate its own minister. With the exception of grants for needy parishes, or special initiatives, there was no direct flow of funds from the diocese to individual parishes. This was certainly the case with this church. It was entirely responsible for preparing its own budget, meeting its own expenses, including salaries, administration, and building construction and maintenance, fulfilling its obligations to the diocese in terms of its annual assessment, and as a consequence, conducting its own fund-raising.

Officially, responsibility for the finances of the church rested with the elected churchwardens (*The Seventh Handbook*, 1994, p. 37), who were legally responsible for the payment of the minister and staff of the church, and other expenses incurred in the running of the church. They were also required to lodge annual audited financial returns, both to the diocese (in the specified format) and the annual vestry meeting. Provided the diocesan requirements regarding financial accountability were met, and Anglican law was adhered to, a local church had a great deal of autonomy. It was free to make use of accounting techniques, including budgets and financial record-keeping, according to its own desires and requirements. This freedom was reflected in the church’s development of goals, employment of staff, fund-raising, and the development of its own internal accounting system, which was tailored to meet the church’s unique needs.

Once a year, congregational members met at the annual vestry meeting for a report on all aspects of the parish, including the finances, and to elect the parish council and churchwardens for the next year. The parish council, made up of these elected members, as

well as churchwardens and the senior minister, then made decisions about the running of the church until the next annual vestry meeting. The official role of the parish council has already been noted. How this operated in practice depended on the personalities of the various people involved, and the make-up of the particular church. In the case of this church, parish council meetings were held every two months, with a number of sub-groups (e.g. finance, stewardship, property) meeting more often. parish council meetings always included a financial report from the treasurer, with special emphasis on budgeted and actual income, as well as cash flows, and usually some discussion, however limited, on that report.

Staffing

At the time of the study, the church operated with a combination of seven full-time and part-time paid staff. Of those seven, four were employed full-time, and of those four, three were ordained clergy and one was a lay person. The other staff were lay people, employed part-time, and there was also a large number of voluntary, unpaid congregational members who performed various functions in administration and pastoral care. The senior minister was the only staff member on the parish council, and therefore the only one entitled to vote on the running of the parish. Staff meetings were held once a week, and were usually confined to a discussion of ministry activities, including pastoral care, and the planning of church services and special events, although occasionally the issue of how various ministries were to be funded was discussed. Staff, with the exception of the senior minister, had little formal input into the financial running of the church.

The church's budget process

Far from being perceived as a secular intrusion into the sacred business of the church, the budget was treated as a very important document. Figure 1 below, *The budget cycle and organizational participants*, illustrates the three stages that could be identified in the church's budget system: setting, tracking and resourcing:

take in Figure 1

There was a two-way relationship between the various components of the budget process, as indicated by the broken and unbroken lines. The setting of the budget, for example, was partly based on perceptions about how it could be resourced (unbroken line), while its implementation highlighted resourcing needs (broken line), and in turn, provided fresh input into the setting of the next budget. The setting of the budget determined the information against which actual implementation of the budget would be tracked (unbroken line), while the results of achievements, as reported by the budget tracking process, would become input when the next year's budget was being set (broken line). Similarly, information highlighted in the budget tracking stage would determine what information would be communicated to members, the resource providers, about any deficiencies in meeting the budget (unbroken line) as well as the resources being recorded and balanced against actual budget requirements in the budget tracking stage (broken line).

The process began usually with a meeting of five people, the treasurer, the three churchwardens, and the senior minister. A great deal of time was devoted to considering submissions (if any), and assessing the needs of the parish. Staffing issues made up the major part of the annual budget, and there were typically discussions about whether this needed to be increased in order to fill areas of ministry not currently being performed. This was a major visionary decision with significant financial implications, and was a point at which religious beliefs, together with perceptions of the church's mission, were paramount. The senior minister's opinion that he believed in "church growth by budgeting" was reflected in the setting of a budget that incorporated the goals and visions of the church. Once this discussion had occurred, and budget submissions had been received from various groups within the church, the treasurer "fleshed out" the figures, and presented a proposed budget to the parish council. After the parish council had discussed and approved the budget, a process which was accomplished over the last two or three months of the calendar year, it was presented to the congregation at the annual vestry meeting, held in March of the following year. This meeting could vote on the budget and make recommendations, but its vote on this matter was not binding. Ultimately, the adoption of the budget was the responsibility of the parish council. This process is illustrated in more detail in Figure 2 below, *The budget approval process*.

take in Figure 2

The budget as an ongoing management tool

Figure 3 below, *Resourcing the budget*, demonstrates the preparation of monthly variance reports by the treasurer. These reports were presented to parish council, where they were discussed. The church's method of both preparing and tracking the budget was not set out by the diocese, but was designed by the church treasurer, in consultation with the wardens and senior minister, to provide the kind of information that was needed to keep the parish operational. On a number of occasions in the church's history, weekly information was given to church members on the level of achievement of that budget, with a comparison of the budgeted amount of offertories, and the average offertories received for the previous month. Once the desired amount of weekly budgeted offertory had been determined, it remained fixed for the year, and was promoted as a level of giving to be achieved in order for the ministry of the church to continue, and hence a spiritual exercise.

take in Figure 3

The senior minister described his reliance on regular reporting on budgetary progress simply:

To me, I've got to run the church. I can't run it without money. If the money goes down, the church goes down ...

With the local church having been introduced, the three sections following present Booth's (1993) framework for exploring the conditions under which there may be resistance to

accounting. The three parts of the framework as applied to this particular church are the significance of the religious belief system, the implications of ordained and lay views of accounting, and finally the impact of the church's dependence on its congregation for resources. While every attempt has been made to separate these three strands, it will become obvious that to a large extent they overlap. As they are applied to a group of real people, they are indivisibly inter-connected, with religious beliefs determining not only attitudes to the church's mission, but also attitudes to accounting and the part it is to play in that mission.

Religious belief systems

... the particular nature of religious beliefs has been argued to be a potentially key explanatory factor in studying accounting as a situated practice in churches. The dominance of religious belief systems for judging the legitimacy of actions, and their incorporation of transcendental ends, potentially provides a strong basis of resistance to secular management practices, such as accounting. *However, this process of resistance is not deterministic or preordained due to the potential variety in religious beliefs and their process of interpretation* (Booth 1993, p. 53, italics added).

The notion adopted by Laughlin (1988) in his study of the accounting systems of the Church of England, that religion divided all things into the "sacred" and "profane" ("secular"), was proposed by Emile Durkheim (1976). While it must be acknowledged that religious beliefs vary widely between faiths, denominations, individual churches, and even within those churches, according to Durkheim this division was "the distinctive trait of religious thought", at the core of *any* religion. So fundamental was it that he saw the two domains as being "hostile and jealous rivals of each other" (Durkheim, 1976, p. 39), separated by an "abyss" (Durkheim, 1976, p. 318). The implication of this division, he asserted, was that mankind could only be purified and sanctified by "withdrawing more or less completely from the temporal life" (Durkheim, 1976, p. 309), into an ascetic state of existence where the temporal was shunned, and "all acts of ordinary life" were forbidden while "religious" acts were occurring (Durkheim, 1976, p. 306). A church, then, was a single "moral community" that adhered to these ideas and instituted "a unified system of beliefs and practices relative to sacred things" (Durkheim, 1976, p. 47)

Durkheim's view, portraying as it does a somewhat monastic view of religion, is by no means generally accepted. Not only did he fail to define what "sacred" really meant, but he also omitted supernatural beings, or gods, from his definition of religion. Stark (1999, p. 279) provided a more relational definition of religious organizations as "social enterprises whose primary purpose is to create, maintain, and supply religion to some set of individuals and to support and supervise their exchanges with a god or gods". And yet, according to Lemert (1999, p. 240, italics added), "*all human arrangements are ... strictly speaking, religious*". The relationship between the three concepts "sacred", "secular" and "religion" is unclear at best. Demerath (2000, p. 3) asserted that it was "religion" that was the concept

that did not really fit in with “sacred” and “secular”, and widened his understanding of “sacred” to include “entities and symbols that have a compelling power without being religious”, acknowledging the process of “sacralization”. He identified the counter-processes of “secularization” and “sacralization” as “more symbiotic than conflicting”, their combination being “a major factor in producing continued religious vitality through change rather than religious decline and irrelevance through changelessness in a changing world” (Demerath, 2000, p. 3). This would seem to indicate that practices or beliefs once held to be “secular” could become “sacred”.

The rise of Protestantism certainly re-defined the nature of the sacred and the secular. Part of Weber’s thesis relating to the Protestant ethic and the growth of capitalism, was that Protestantism, in embracing the idea of ownership of capital, training in skilled labour^[4], inheritance, education, and the conduct of business, glorified not in “monastic asceticism”, but “the fulfilment of the obligations imposed upon the individual by his position in the world” (Weber, 1930, p. 80). Such work could be given a spiritual stamp of approval, or at least not automatic condemnation. As long as the “bourgeois business man ... remained within the bounds of formal correctness, as long as his moral conduct was spotless and the use to which he put his wealth was not objectionable” then he was not transgressing or breaking into a secular world by becoming wealthy (Weber, 1930, p.p. 176 – 177)^[5]. Luther’s teaching that there was dignity in the ordinary work of ordinary people, meant that “worldly duties were no longer subordinated to ascetic ones” (Weber, 1930, p. 86).

Berger (1967, p. 111) proposed a similar view, that Protestantism represented “an immense shrinkage in the scope of the sacred in reality, as compared with its Catholic adversary”. According to this interpretation, Protestantism had removed the “mystery, miracle, and magic”, and thereby opened up the possibility that the “routines of everyday life” could be infused with sacred power (Berger, 1967, p. 27). But the opposite was also true, that the church, limited as it was now to only one channel to the “sacred”, the “uniquely redemptive action of God’s grace” (Berger, 1967, p. 112), was capable of being secularized. According to Berger, this happened through the church itself, the manifestation of “the institutional specialization of religion” (Berger, 1967, p. 123). Calhoun (1999, p. 237) suggested that a focus on the secularization of religion has been instrumental in directing scholarly inquiry to “whether it (religion) was gradually vanishing with modernization” rather than to attempts to “understand its actual meaning and organizational significance in contemporary society”.

Has this corrupting influence, epitomised by money itself, infiltrated and destroyed the church’s sacredness from within? For a Christian church, the theology of wealth is highly significant, not just at a denominational level (where beliefs may vary widely not only between denominations, but within denominations) but also at a local church level. Churches that have a strong emphasis on biblical attitudes are likely to acknowledge that while there is some “unaffected praise of riches” in the bible, there is also a warning of “their power to lead men astray” (Selter, 1976, p. 841). Luke 16:13 (*The Holy Bible*, 1986) encapsulates this: “no servant can serve two masters. Either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve both God

and money”. This is not a rejection of riches as “basically satanic”, but rather a denunciation of “every human self-contrived security and obsession which makes it impossible for men to see the kingdom of God”, i.e. the threat of riches is “a subjective threat to the individual psyche” (Selter, 1976, p. 843).

This has implications for the categorisation of various domains as “sacred” or “secular”. Christian critiques of capitalism and the wealthy western church, such as that provided by Sider (1977) and other members of what could be described as Christian counter-culture^[6], urge a holistic attitude to riches and responsibility to the poor and issue an uncompromising call to western Christians, in particular, to divest themselves of their riches. To other denominations, however, it is not the earthly possessions themselves, but the attachment to them that is spiritually dangerous. It could be expected that churches which view money and wealth as inherently evil are likely to be reluctant to embrace accounting. Conversely, churches that interpret money and wealth as something with potential to be spiritually dangerous, but also with potential to be used to further their mission, or simply as part of life, all of which is sacred, are likely to have no problem with the use of accounting (Irvine, 2002; Jacobs and Walker, 2000; Burkette et al, 1991; Fuglister and Bloom, 1991; Kreiser and Dare, 1986).

The Iona Christian community in Scotland adopted a holistic attitude to life, viewing accountability as a “broad concept”, “one that extends beyond formal accounts to embrace concepts of how individuals give account of and for their daily lives and in doing so producing and reproducing their individual and collective identities” (Jacobs and Walker, 2000, p. 4). Booth (1993, p. 41) observed that studies on the Shakers and the Harmony Society, both Christian sects, found “little apparent resistance” to accounting, with the result that it was prominent in their communities. The Shakers’ religious beliefs, significantly, stressed “industry and economy as virtuous activities” (Booth, 1993, p. 41)^[7]. This kind of view sees stewardship as more than the efficient use of money. Rather, “it means recognizing that all we have, even our lives, is a gift we hold in trust to use as wisely as possible to further God’s intentions for the creation” (Jeavons, 1994, p. 76). Thus the concept of stewardship, often given a narrow interpretation^[8], can apply to all aspects of life, not just to “religious or charitable purposes” (Mohon, 1999, p. 45). It encompasses a call to action, a journey on a mission. Belief is not just inert, but active, i.e. it does not exist as an end in itself, but as an opportunity for service and action.

Such a view would see the local church as being entrusted with the stewardship of *all* the resources available to it, and its members would have a responsibility “not to look upon these household affairs as their own”, but to see themselves as “merely stewards of the gifts entrusted to them”, with the requirement that they “have to give an account of their stewardship” (Goetzmann, 1976, p. 255). This understanding of stewardship is “multidimensional”, providing a link between belief and action, and is “nothing less than a complete lifestyle, a total accountability and responsibility before God”, linked to “God’s plan to reconcile the whole world and bring creation to its proper end” (Westerhoff, 1983, p. 15), i.e. it is an outworking of mission. The steward thus stands in a “*relationship* of entrustedness whereby there is a *responsibility* of diligence and faithfulness in the

administration of resources” (Mohon, 1999, p. 4). It was this “Christian obligation of stewardship” that motivated the Iona community to monitor the “use of money and the attendant need to control personal finances” (Jacobs and Walker, 2000, p. 9). It is deeper than the necessity, reflected in society, to demonstrate good corporate governance, but rather a spiritual imperative to use all resources in a way that is biblically faithful.

It seems obvious that given the vast range of beliefs about what constitutes sacred or secular practice or behaviour by people within a variety of religious organizations, there will be a huge variety in attitudes to practices such as accounting. Ultimately, it will be the nature of a church’s religious beliefs that will determine whether members (or clergy) see accounting fitting in with their “sacred” beliefs, or whether it is forever a “secular” practice, outside the religious system, as a manifestation of what their beliefs are *not* about. Different denominations, as institutionalized organizations, will therefore hold different views on whether accounting is compatible with their religious beliefs. The Anglican church’s requirement for audited accounts has already been mentioned. Duncan et al (1999) reported differences in the practice of internal control systems between United Methodist, Presbyterian and Southern Baptist churches in the USA, but it could not really be said that this study focused on *attitudes* to accounting, but rather to practices. The observation that the implementation of internal control systems could be regarded as “a necessary evil” (Duncan et al, 1999, p. 146) may have theological grounding, or may simply be based on pragmatic issues. However, it does not seem unreasonable to assume that the existence of internal accounting control requirements as mandatory within denominations would indicate a compatibility with that denomination’s religious beliefs.

Within any church, therefore, attitudes to stewardship and accounting will be as varied as beliefs about God, money, what constitutes the mission of the church, and how it is to be fulfilled, all have a bearing on attitudes to accounting, both in theory and practice:

Thus, while resistance is proposed as a useful starting premise for any analysis, the actual process of resistance (or support) must be demonstrated and explicated in practice (Booth, 1993, p. 53).

The dynamics within this church were very different from those considered in the studies undertaken by Parker (1994), who studied accounting at a denominational level, and Laughlin (1988), who, while he did consider accounting at a local church level, concentrated on the similarities rather than the differences between various parishes (Laughlin 1988, p. 23). The opportunities were great, at a denominational level, for variations in religious beliefs, and therefore variations in perceptions of what constituted sacred or secular activities. At a local church level, the religious beliefs of an individual congregation, while not likely to be completely homogeneous, were likely to be more so, without the wide divergences likely at a denominational level^[9]. A practical reason for greater homogeneity of religious beliefs in a local church could be that a single, smaller organization is being considered, and that individual members have the ability to move from one church to another until they find one that they feel expresses their religious beliefs. Within the Anglican denomination, parish boundaries, while existing in church law,

are no longer the limiting factor for church members that they have been in the past, and the proliferation of other churches with a variety of cultures, has created a climate of active “competition” between churches in the area.

The church’s religious beliefs and the budget

A church’s religious beliefs can be ascertained at a denominational level from its statement of creed and its historical roots and traditions, and at a local level from the emphasis of its preaching, promotions and practice. The Sydney Anglican diocese describes its historical beliefs as being based on the Thirty-nine Articles of Religion, encapsulated in the Book of Common Prayer of 1662 yet still relevant:

... the principles they enshrine remain vital. The touchstone is the place of the Bible, set out in Article VI: "Holy Scripture containeth all things necessary to salvation: so that whatsoever is not read therein, nor may be proved thereby, is not to be required of any man, that it should be believed as an article of the Faith, or be thought requisite or necessary to salvation" (Anglican Church Diocese of Sydney, 2003).

At the local level these beliefs were promoted, but in contemporary terms. The church set a high priority on biblical preaching, and promoted itself with the slogan "Grow in God" (*Story of Figtree*, 1991, p. 10), which was defined in terms of numerical (easy to measure) and spiritual (harder to measure) growth. Being an Anglican church did not give a complete indication of its theological position, since according to the senior minister, Reformed Episcopacy with a prayer book liturgy^[10] was not necessarily the case in modern practice:

The public face (of Anglicanism) in terms of traditional liturgical practices is hopelessly irrelevant to modern men and women. There is a theological backbone. It is contained in the (Thirty Nine) Articles^[11] and runs as a strong thread through the liturgy. This backbone, to the extent that it is based on scripture, is eternally relevant. Thus Anglicanism must be defined by the theological backbone and must make every attempt to present that theology with a contemporary face.

In practice, therefore, the church was conscious of the need to be relevant to the society in which it functioned. A "sacred" core of belief was thus identified as being based on the bible, as explicated by the Thirty Nine Articles, which gave the church its “reformed” theology. To tamper with this was perceived to be wrong. Instead, leaving it intact, what had to be done was to present it in a way that was relevant.

These viewpoints, at both a diocesan and local level, saw no incompatibility between religious beliefs and accounting, in fact quite the opposite. The Sydney Anglican diocese’s requirement for annual audited financial accounts has already been mentioned. It indicates the value, at a diocesan level, that is placed on an accurate system of accounting and financial stewardship. This attitude was also evident in the local church, where in the

context of biblically based preaching and teaching, Christian stewardship was taught as a practice that was the responsibility of *all* Christians, to use *all* their talents in God's service. A parish councillor described her view of the necessity for stewardship in all aspects of the church's management:

... I think it should be run as any good business. There should be really sound management and financial principles, so I don't see any real difference in that. I think there's a difference in, say, personnel issues. I'd like to think that ... that ... our church business can run on a more personable level than say some big management structures do, but otherwise it should run like a very well oiled business set-up like any other place should.

The dominant religious beliefs in the church did not appear to preclude the legitimacy of the use of accounting, or of its use as a measure of the achievement of budgeted goals. People interviewed adopted a pragmatic view of financial reports, and the accounting function:

... I also each month prepare a report on the offertories, how that's coming in compared with budget, and what the shortfall is, and I make any comment on how I feel that's going, whether we're getting into bother, or whether we're going well (church treasurer).

... Ah, being a man of little faith, I like to see the dollars (churchwarden).

... because if we were running to budget, if we were running within our schedule, then everyone knew about it. It was under control. We were running the path that we had determined for the year, so everyone was happy ... (former church treasurer).

People just want to know whether we're meeting budget or not, or whether we're going backwards or not (senior minister).

From the senior minister's point of view, management practices, including accounting, were acceptable, provided they were not inconsistent with the church's core theological beliefs. Hopwood (1990, p. 9) identified the objectification of phenomena as one of the roles of accounting, and the senior minister used it in this sense, as he applied a numerical "surrogate" (to use Booth's terminology) to assess the growth of the church:

I think budgeting's crucial, because I believe in church growth by budgeting. Each year the church needs to add a significant ministry that will win more people to the church. That ministry then needs to be funded, so you fund it by putting it in the budget. Ah ... so you are always increasing the budget by more than the CPI from the year before, and if you then achieve that, then the church has grown proportionally, because the budget's done its place. So you're always adding in some more stuff to make it grow.

Religious beliefs and vision played a large part in setting the budget. In the opinion of one parish councillor:

I prefer there to be a bit of discomfort as we look at finances ... than to be very comfortable so that we don't ... we're not very visionary ... because if we're always limited by our finances, the amount we've got in our pocket to spend, then we'll never be looking for increased ministry and things that might just push us to stretch our financial reserves a bit more ... to get more money and to pray harder for what we ... for what we need.

A former treasurer advocated a combination of vision and attention to financial realities. There had to be some point of contact, in his opinion, between the original vision and the ability to resource it given the congregational base:

But I think you have to go for what you believe God wants you to provide, and then ... and then follow from there. I don't think you can compromise on that up front ... because if you do you'll never see your vision come true. So I think money does play a part. I think you've got to be realistic within certain limits.

A parish councillor had a similar view. In reflecting on the decision of the congregation not to proceed with a new building, she expressed her "personal disappointment":

I suppose I would personally hope that people had a little bit more faith in ... in the whole process and in ... and in God to bring it about too.

It is difficult to say whether the difference in perceptions about whether to go ahead with the new project were related to responsibilities in the church, i.e. the different responsibilities between ordinary congregational members and those who held some sort of office. Perhaps people who had a great sense of the vision and the spiritual goals of the church were the ones who sought office.

This faith/resourcing dilemma seemed to balance on a very fine edge. There was the desire not to limit the vision (the sacred work) at a local church level, while at the same time a concern to be sensible, responsible and realistic about the ability of the church to fund the vision. A churchwarden described the tension between these two aspects:

I like to see that it's achievable. I don't think we should start building the house unless we know we're going to finish it, literally ... but that, I suppose, is tempered with a little bit of faith as it was with ... with the last appointment we made. But it does, it weighs, it weighs on me.

The accounting function in the local church was performed by people who were not professional accountants, but primarily dedicated lay people who happened to have those skills. While the church did not employ a professional accountant, it did have dealings with professional accountants and diocesan personnel on a number of occasions, which

highlighted the difference between diocesan regulations, attitudes and financial realities and the vision of the local church. An example was the building of the existing church complex, which had occurred over a decade earlier than the time of this study. From the point of view of the local congregation, gripped as they were with the excitement of what they saw as a spiritual vision, there seemed to be a marked lack of appreciation from the more hard-headed business culture at a diocesan level, with its emphasis on accounting numbers. For the project to go ahead, there had to be a conjunction of spiritual vision and financial capabilities. According to a former churchwarden, the diocese appeared to view the project as an extravagant and ill-informed plan:

There was just so much opposition to it ... to the move from people in authority, from the ... from the Financial Priorities Committee of the Standing Committee .. and so to actually believe that it was financially possible, and to be convinced it was, was ... was quite something when so many significant people in the diocese who knew a lot more about finances than I did had very strongly come to the conclusion that it wasn't possible.

These obstacles had to be overcome if the building was to proceed, and the accomplishment of that was perceived to be very significant in the spiritual history of the church:

... it was a strangely uneconomic way of approaching the whole thing, because the whole thing was a faith venture. It was all ... all about discovering what you believed God wanted you to do, and then having become convinced that that's what God wanted you to do, then being easily convinced that the resources would come. Maybe that's why I was able to be convinced by (the treasurer), because I wanted to be convinced. But for some reason or other I remember going over the sum several times and coming to negative conclusions, and feeling quite full of despair about it, and then suddenly one day when (the treasurer) came and sat by me and worked over it again over many long hours, that it became clear it was possible, I remember the great excitement I felt (former churchwarden).

While it was a faith venture in many ways, the accounting had to be "right" in order to sell or justify the project to the diocese. The same former churchwarden, who at the time of this study, served on the diocesan Standing Committee^[12], pointed out that at the diocesan level, the provision of resources was viewed much more from a business or accounting standpoint than from the way it was viewed in the local parish church:

And I think now that I'm on Standing Committee, that what you see ... what you see all the time there ... is very careful calculations, based on ... ah ... based on the economy and the market and so on. There's not much room there for faith and sacrifice. That's ... that's the sort of calculation which you yourself make in your own family when you decide whether or not you're going to build a house or not. That's what Standing Committee is like. But

church^[13] is different. Church requires relationships between people, and faith in God and things like that. Standing Committee doesn't require that.

While the philosophy of budgeting and financial planning, as the numerical manifestation of spiritual goals, was accepted by the parish council, there appeared to be a perception that, while necessary, accounting information ought to be kept in the "correct" perspective, and not take up valuable time in meetings:

... I think as far as the church is concerned, from the aspect of stewardship if nothing else, we need to have some sort of a budget to be responsible for what we do with the funds that we, you know, for the offertories and tithes that we get in. In a business the dollar is the thing that drives it, that drives the business. In the church it shouldn't be. And so we just need to be careful we don't spend an hour and a half at the parish council talking about money (church treasurer).

There was resistance, not to the notion of accounting, but to the notion of accounting's dominating the running of the church. Accounting had the potential to serve a spiritual purpose, to fit with spiritual goals, and therefore had to be kept in a theologically-correct perspective:

... certainly around the time we make the budget we would spend probably at least two or three meetings really ... we would spend the majority of those meetings I think talking about budget issues, because ... because budget issues are involved in ministry issues, so we're actually deciding more on what new ministries to have rather than on what money we need (parish councillor).

Religious beliefs have a profound effect on attitudes to budgeting, at both a diocesan and local level. The church's biblical theology enabled it to maintain its spiritual focus, and not only permit the use of accounting, but actually embrace it as a valuable tool, using the budget as a surrogate measure of spiritual vitality. There was thus a link between the mission (based on the belief system) and the money needed for the fulfilment of that mission. The spiritual vision was captured within the budget, yet while this was the case, the budget was never to take over as an end in itself, but always to be subservient to the vision. Both clergy and lay people had a role in setting this vision. Their respective roles in the budgeting process will be considered in the following section.

Members and occupational groups

Booth (1993, p. 43) urged a consideration of the role of the clergy and other occupational groups within churches "in the promotion of and resistance to secular management practices and accounting". He based this on suggestions by Laughlin (1988) and Thompson (1975) that there was a division between these groups, since if the clergy were the "main group directly concerned with the achievement of the transcendental ends of churches and the maintenance of their religious beliefs" (Booth 1993, p. 54) then there could be a devaluation, in their eyes, of management practices in general, and accounting in particular.

It seems this division could exist in at least two ways: first between clergy and church members, and secondly between clergy and professional accountants and business managers employed by the church.

Kluvers' (2001) study of budgeting in Catholic parishes certainly pointed to a division between clergy and church members in attitudes to the importance of accounting. Even with recent trends to appoint local finance committees and parish councils, he observed, there had been a long tradition of little or no lay involvement in budget setting, with the result that parish priests were largely responsible for finances, typically subsuming them to the more "spiritual" aims of the church. The greater the involvement in and use of the budget by lay people, Kluvers (2002, p. 14) claimed, the smaller the sacred/secular gap in perceptions of accounting appeared to be. The system in the Anglican church, already described, is that, officially at least, churchwardens are responsible for the finances of the local church. This includes the administration of those finances and the presentation of annual audited accounts to the diocese. It would be expected that such a responsibility would heighten the ownership of the church at a local level, especially when financial resources have to be raised by the local congregation.

This division seems totally at odds with the early Christian church and the notion of personal stewardship, which is shown to be the responsibility of *every* Christian. There, "the good news of the gospel (was) consistently holistic, according to the teaching of Jesus" (Blomberg, 1999, p. 145), with Jesus' well-to-do followers, as part of that community, being "generous in almsgiving and in divesting themselves of surplus wealth for the sake of those in need". Stewardship, in that context, was "communal" (Westerhoff, 1983, p. 25), with no apparent layers or divisions such as those assumed between clergy and lay people today. This division probably stemmed originally from the growth of the monastic movement, which developed a "two-tiered mentality" of stewardship: "those called to vows of poverty showed exemplary compassion for the poor in divesting themselves of their own property, but the average rank-and-file layperson rarely imitated these models" (Blomberg, 1999, pp 174 – 175). This division between clergy and lay people has been perpetuated, but, in theory at least, Protestant theology represents a breakdown of this division, and the commitment of *all* Christians, clergy and lay people alike, to a shared vision of holistic, communal stewardship (in the sense not only of money but of gifts or talents) as they work together towards the fulfilment of their mission:

And in the church God appointed first of all apostles, second prophets, third teachers, then workers of miracles, also those having gifts of healing, those able to help others, those with gifts of administration, and those speaking in different kinds of tongues (*The Holy Bible*, 1986, 1 Corinthians 12:28).

Denominational differences in attitudes to professional clergy and lay people can be expected to be a huge factor in the perpetuation of this division at a local level, and therefore, in the context of this study, to differences in attitudes to accounting as a legitimate function within the church. It would be expected that churches that are congregationally governed, and those which, while subject to various denominational

constraints, have their own right to nominate their minister, would choose a minister in keeping with the religious beliefs of the local congregation. If this were the case, there ought to be fewer differences of opinion about issues such as the role of accounting and budgeting in such churches.

A further division can be seen in today's institutionalised church, with the employment of professional accountants and business managers at the top of the organizational hierarchy in particular. If these professionals are merely employees, and not also church members who are committed to the mission of the church, then there is an additional potential for conflict between clergy, the keepers of the sacred belief system, who are promoting a spiritual agenda, church members, who are, hopefully, also in tune with that mission, and these "internal occupational groups" (Booth, 1993, p. 53, quoting Thompson (1975)), who are employed to deal with the financial realities. A biblical view of Christian stewardship is a larger concept than the most "efficient" use of financial resources, and if professional accountants are not also church members, it is unlikely they will understand the commitment clergy and lay people are likely to feel for the promotion of the church's mission.

At the level of the local church, it would be expected that these dynamics would be different, due to a number of factors. First, few local churches would employ professional accountants or business managers. The accounting function would most likely be performed by one of the members of the local church. If local parishioners like, respect and value their own church treasurer, and see that treasurer as someone who shares their religious beliefs and their commitment to the church's vision, and to holistic Christian stewardship, they are much more likely to trust and accept the accounting reports prepared by that treasurer, and therefore to value the role that accounting plays in the management of the church. Secondly, the difference between the religious beliefs of clergy and members is likely to be reduced at a local level, due to factors already outlined. Even if a local church is large, there is the likelihood that congregational members will know one another personally, and be in a position where they must work together, either harmoniously or with tension, on a regular basis. At a diocesan level, there is more potential for differences in religious beliefs, both between clergy and across churches, and, the sparser amount of regular personal contact could exacerbate any theological tensions that already existed. Thirdly, the local church is at the site of its resource base, usually the financial contributions of church members, closer than the diocesan hierarchy is to its resource base, which usually includes assessments received from local parishes, and income from investments.

The church's members and occupational groups and the budget

Official denominational structure and law would appear to leave open the possibility for a sense of division between clergy and lay people, in the way it defines the roles of the minister and the various lay positions. Responsibility for the "spiritual" matters of the church is placed squarely on the shoulders of the minister, and responsibility for financial and administrative matters left to lay people, although the parish council has shown to be

involved in working with the minister in “the initiation, conduct and development of church work” (*The Seventh Handbook*, 1994, p. 43), which includes mission-oriented aspects of the church. The way these dynamics worked out in practice would vary from local church to local church, as outlined above, but in this case there was a mutuality about these roles.

The church’s staffing has already been outlined. At the level of strategy-formulation in the church were the senior minister and the parish council, including the churchwardens and the treasurer. The senior minister was the only one of that group who was on the staff in a paid capacity. There was no sense in which he formulated the spiritual agenda of the church on his own, and nor was there a sense that the administrative and financial functions occurred without any interest from him. Other paid staff were not all ordained, some being lay people. They had various responsibilities, for areas such as pastoral care, Christian education, youth, children, parish administration, and evangelism, and all had financial accountability within their budgeted area. Each was called to be a responsible steward for the funds with which he or she had been entrusted.

The senior minister certainly did not view the church’s finances as unworthy of his attention, being vitally interested in them and their spiritual implications. Rather, he had been urged by his churchwardens to delegate these concerns more to the treasurer and the specially created finance task force. Conversely, the treasurer, churchwardens, and parish councillors all displayed an intense interest in the spiritual work of the church. All of the participants in the study were members of the local church, and shared the same religious beliefs and the same commitment to the church’s mission and the practice of stewardship. The potential for conflict, at least at that level, was therefore reduced significantly. A former churchwarden described the relationship between the senior minister, the churchwardens, and the treasurer, as “a good partnership”.

While this partnership existed in the sense of a shared vision and the shared burden of providing resources to fulfil that vision, local church involvement in the budget process was limited. Figure 2 above, *The budget approval process*, identifies an opportunity for church groups to submit budget requests to a group comprised of the senior minister, treasurer and churchwardens. Response to this was generally poor on the part of lay people, with the treasurer usually completing those budgets or estimates, based on the expenditure of the previous year and the vision identified for those groups by the senior minister and staff. A churchwarden observed that groups generally did not proactively budget:

It is apparent that they’re not doing really much thinking, say, hey we’re going to do x y z and it’s going to cost us money next year. Let’s put it in the budget. I suppose that’s the only thing. But if they are surviving I don’t want to encourage them to ask for more money. We rarely meet the budget anyway.

Groups “survived” because they were allocated an amount in their budget based on their spending in the previous year. There was a high degree of trust placed in the treasurer, and this could be an explanation of why people were content to leave their budget to him to put together. Employed staff took a more proactive role in areas that were under their control

than lay people who were responsible for a lay ministry, possibly reflecting a more professional level of expertise and responsibility, as well as a more carefully thought out strategy for what they wanted to achieve in their area of responsibility.

A consequence of this poor involvement in budget-setting was that while the process occupied a great deal of time towards the end of each calendar year, both in the small group identified, and in parish council meetings, it actually involved only a very small number of the members of the congregation. The final budget, as approved by parish council, was presented to the annual vestry meeting held in March each year, but for the most part, was a *fait accompli*, and represented an imposed budget which then had to be resourced by the members of the congregation. The senior minister's address and vision for the church for the following year set the tone for the budget, which was then seen as an objectification of that vision. It was therefore on the basis of that vision, rather than the budget relating to it, that discussion would be likely to centre at the annual vestry meeting. There was opportunity for church members to speak out at the annual meeting, and some did, but the power to veto the budget as presented, did not rest with that meeting.

The difference in proximity of diocese and local church to their respective resource bases has already been highlighted in the account of the local church and their interaction with the diocese over their new building. The greater this distance, the more it seems reliance is likely to be placed on accounting numbers in order to plan ahead financially. Clergy at a diocesan level are therefore not as accountable, in the personal sense, as are those in a local church, to those who are financing the church's vision. While at a diocesan level there appeared to be no conflict between mission and money, that attitude was put into practice in a different way at a local level. There, the acceptance of a budget, and the church's ability as a group to provide resources to meet that budget, are an indication not only for the support of the spiritual work of the church, but of a smaller gap between the perceptions of clergy and lay people. Obviously, determining factors in such a relationship would include the personality, leadership style, vision and commitment of the local minister to the church members, and conversely, the extent to which they shared and respected those beliefs. These would be unique to each local church.

Organizational resources

It has been proposed that the level of organizational resources is a factor in determining resistance to accounting. Booth (1993, p. 56) concurred with Hinings and Foster (1973) that if funds are short, there is a tendency to "conserve and control" them, while Lightbody (2000) identified "storing" mechanisms to conserve funds, and "shielding" procedures to hide them from view. Laughlin (1988) likewise observed that resistance to the use of accounting in the Church of England could be reduced during times of financial stress. It is difficult to separate a church's financial resources from its membership generally, since a large member size, particularly one that is growing, implies that an organization will consequently have access to a growing financial resource base. In fact, strong membership "may tend to strengthen the dominance of religious beliefs and the maintenance of the

status quo within the organization, including the current processes of resistance to, and support for, accounting” (Booth, 1993, p. 55), while weak membership might be interpreted as a “sacred” crisis, creating “more fluid conditions of possibility” for playing out the processes of resistance to and support for accounting (Booth, 1993, p. 56). According to this line of thinking, a church, in times of resource crisis, would have to rely on accounting, even against its will almost.

What about a church’s ongoing reliance on accounting, faced with its constant need to raise its own funding? Swanson and Gardner’s (1986) study of financial reporting in the Protestant Episcopal Church in the United States from 1780 to 1860 proposed that accounting gained more prominence because of the move from state to local funding (requiring the contribution of members), the “formalization of reporting requirements at the national level” (Booth, 1993, p. 42) and the expansion of church activities. It was unclear whether this increased acceptance and use of accounting practices was “some indication that accounting practices may interact with the spiritual dimension of a church”, or was it just a response to the “rational needs” of the church (Booth, 1993, p. 42). Another explanation could be that when a local congregation are responsible for funding their own ministry, they become more motivated to raise their own funds, and therefore more aware of the spiritual significance of what they are undertaking as they prioritise the allocation of scarce resources. Reliance on a body further up the organizational hierarchy for their funding could make them reflect less on what they really want to be involved in.

It is the purpose of this paper to demonstrate that attitudes to accounting practice are strongly linked with a church’s spiritual values. Often that connection is hidden behind other “rational” explanations, such as church size and the level of resources, or the existence of occupational groups, all of which are merely manifestations of other factors about organizational resources that would appear to affect attitudes to accounting. It is religious beliefs about what constitutes the mission of the church, commitment to or ownership of that mission, and attitudes to stewardship, which have implications for the funding of the mission. In an age when “the long-standing Western and Christian tradition of stewardship” has been largely lost (Blomberg, 1999, p. 253), it is not surprising that a dichotomy has developed between the “sacred” mission of a church and the “secular” implications of that mission. If, as earlier described, a communal approach to stewardship is adopted, then a local church is unlikely to view any accounting that reflects or objectifies the ownership and resourcing of its mission as a secular activity.

The church’s resources and the budget

With its religious beliefs and its expansionary mission, the task of resourcing that mission was seen within the church to be a spiritual activity. Part of that resourcing involved money, and allied with that, accounting, specifically budgeting.

The fear that money, potentially a secular force, could have a corrupting power, was acknowledged in the church. The church treasurer observed that in the church, money should not be the driving force, and therefore he was reluctant to spend a great deal of time

talking about it at parish council meetings. He preferred to keep his reports short and simple, and leave more time to discuss the true business of the church, i.e. its vision and mission. He cautioned against its becoming the dominant thing in the church, and contrasted a business, whose motivation was making money, with the church, where the primary motivation was spiritual. A churchwarden highlighted the need for the church's accounting to be "spot on" because of the temptation, just as strong as in other organizations, "to dip the fingers in the till". A former treasurer confessed that the trust people had in him worried him, and described how he instituted extra controls for the counting of money.

This corrupting power, however, was negated by the spiritual power of stewardship. Alongside the power to corrupt^[14], was the potential for money to be gathered and managed so the church's spiritual mission could continue. It was therefore earmarked^[15] for sacred purposes. This acknowledgment that money was required was expressed by the senior minister, who described his attempt to set up a "task force" to deal with finances and suggest ways of raising more money for the church. While he had no theological objection to thinking about raising funds, i.e. he did not see it as a "secular" activity, he admitted that his time could be better spent on the activities for which he was trained:

... as a little aside here, part of the reason for these task forces were that the leadership of the church at that stage, the wardens, felt that my major training and task, and I agree with them, was in theology, and basically I was trying to run as a business man, and they wanted to release me to get back to the things that I was trained to do.

This was not a statement that accounting and raising money was somehow *beneath* the interest of the senior minister, but rather than it was not an area in which he was trained. Taking care of those areas represented a contribution that lay people with that expertise could make. In spite of this, money was very much a concern to the senior minister. He set up a "stewardship" committee several years before this study. Its purpose was to resource the budget, or dream up exciting ways of raising money, but to his disappointment, the people he appointed to the task force focused simply on ways of saving money rather than raising it. Where he wanted them to be entrepreneurial and generate resources, they concentrated rather on being careful with the resources they had. As a result, he stepped in and re-organized the group, appointing people to it whom he knew would dream up new ways of fundraising so he would not have to be so concerned with it. He still felt the burden of raising money, and the need to take an active role in supervising the operations of that group.

Resourcing the budget actually meant resourcing the vision, because the budget was the financial document which encapsulated the church's vision for the next year. To achieve the spiritual work and goals of the church, attention needed to be paid to financial realities. Hopefully those realities would be sufficient to fund the vision. It was seen to be one of the roles of accounting within the church, once the annual budget was set as a target to achieve the church's goals for the year, to keep track of what the financial realities were in order

that the sacred work of the church would not be compromised. Although the budget set the agenda in terms of weekly offertories, the financial target to be reached was calculated by a careful determination of the resources that would be needed to implement the vision. In the event of a resourcing crisis, accounting was relied on to provide information about the existence of such a crisis so that action could be taken to overcome it.

Both theological and pragmatic factors contributed to the church's identification of its mission, ownership of the mission, and its funding. In terms of religious convictions, there was a strong common bond between the senior minister and the church members, with stewardship portrayed as a spiritual activity. On a practical level, the church was responsible for providing its own finances if it was to continue. Unlike the Church of England in Laughlin's (1988) study, this local church was not funded from a central diocesan office, the opposite being the case, with the local church sending funds *to* the diocese. The result was a strong theological commitment to the church's mission and to the concept and practice of stewardship. Both these factors appeared to minimise resistance to accounting, with the budget being viewed as a document of spiritual significance, being the financial objectification of the church's spiritual goals for the next year.

There is no doubt that the concept of stewardship, while theologically driven, was practically useful in providing resources for the church. The membership base of the church was large and growing, and lay involvement in ministry was also significant and increasing at the time of the study. The religious beliefs shared by the senior minister and the congregation contributed to a breakdown of the clergy/lay distinction, with a consequent high degree of ownership of the spiritual values and vision of the church by church members. Although large and growing in terms of membership size, the church was not wealthy by denominational standards. In contrast with some other churches in the denomination that received substantial income from property investments, its receipts were almost entirely offertories from members of the congregation (98.7% in 1993).

The budget was set as a target to be achieved, a means of objectifying the sacred vision of the church, which was usually expansionary. The result was that there were times when there was a major resource crisis. When receipts fell dangerously behind budget, the congregation was urged to reconsider their offertories. On two occasions within a period of five years, the churchwardens spoke directly to the congregation, informing them of the seriousness of the church's financial position and the need for a dramatic inflow of funds. Figure 3 above, *Resourcing the budget*, illustrates the process, whereby the churchwardens informed the church members of the financial crisis and asked for their assistance to increase the resource base of the church. The budget did not just set a *desirable* financial target to be reached each week, it represented the amount required to maintain existing ministries.

Reporting on resourcing realities in the form of variance reports occurred at parish council meetings. Negative variances could be caused either by a shortage of funds coming in as offertories, or over-spending. Both had to be monitored carefully. While these reports were seen to be important, the church's vision was to be paramount, with there being no sense

that accounting would be allowed to set the agenda. The treasurer's view was that they should be brief and to the point:

... I think I'm better to report on the variances rather than to ask questions because I think that ... I think you lose control of what you're on about then. That's how I see that. I think it just takes up time of the parish council. I don't believe it's necessarily the role of the parish council to spend half an hour at each meeting worrying about the finances. I think there are more important issues we should be worrying about at parish council, to be quite honest. So I try to ... I try to keep the running of it, the control of the report.

While there was a concern to contain costs, it was recognised that sometimes these inevitably went above budget. The information of major interest to the senior minister and the parish council each month was any deficiency in the budgeted income. Members were responsible for the provision of resources to meet that budget every week, therefore, once the budget was set, the resourcing aspects of the budget, and any deficiencies in that resourcing, became of great importance. In this it was difficult to distinguish between membership and financial resources (Booth 1993, p. 57), since the two were inevitably linked.

It was recognised that there had to be a sense of realism about financial affairs, but there was also a belief that the resourcing of the parish was essentially a spiritual activity, not a commercial one. A former churchwarden expressed it this way:

I think that the resources, the financial resources, which the church has before it embarks on any venture, must be sufficiently low for there to be a requirement of faith and sacrifice on the part of the congregation if that is to do anything spiritually for the congregation ... if you are going to receive spiritual blessing from the financial side of parish life, then I think before you go into any venture the money's got to be sufficiently low. But I think it's got to be also high enough to be within the ... bounds of reason.

This attitude inevitably affected the way people perceived accounting as it assisted in the resourcing role within the church. In most organizations accounting numbers are one of many agendas that determine the financial decisions people make, with other agendas often hidden or obscured. In this situation, there was another openly acknowledged agenda, which therefore would have the potential of conflicting with accounting information. Given the significance of religious beliefs, there could be situations where decisions would be made which challenged, or even defied, good accounting or management principles. This would not mean that accounting was somehow unspiritual, but simply that it had to be put into the context of the church's mission, and to serve that.

Conclusion

This study of attitudes to accounting in a local church has focused on the potential conflict between the “sacred” mission of a church and the “secular” practice of accounting. In this case, accounting has been shown to provide a valuable linkage between the conception of the church’s goals for the next year, and the resourcing of those goals. By encapsulating the goals within the church budget, financial targets were established which served a spiritual purpose, and the church’s progress in achieving those financial goals month by month was measured against set financial targets. Obviously there are dimensions of a church apart from financial ones, but in this case the financial dimension was a necessary part of the achievement of spiritual goals which required monetary resources if they were to be achieved.

The religious belief system of this church accommodated quite easily the adoption of accounting as a tool of its mission, to the extent that it was consistent with that mission and did not deflect it, i.e. did not take over the church’s aims and agenda. There appeared to be no automatic assumption that money and accounting were somehow inconsistent with core religious beliefs, stewardship and the holistic nature of beliefs being pivotal concepts. As a local faith community, the church demonstrated a high degree of conformity between the beliefs of clergy and church members. The absence of a “professionalized” accounting function in this local church, meant that church members (church wardens and parish councillors) had a high involvement in the budget process, in terms of specifying goals, performing accounting tasks, and evaluating budget performance.

In addition to this, because the church was responsible for providing its own resources, and its ability to do this was linked to its belief system and perceived to be spiritual in nature, resistance to accounting in principle was minimal. The budget was actually used as a surrogate for the spiritual goals of the church, to objectify, legitimate and justify certain actions, and to monitor the success and accountability of the church in achieving its stated goals. While in some church settings accounting may be merely tolerated as a necessary intrusion into “sacred” business, within a church whose focus is on a cohesive set of religious beliefs, a strong sense of mission and a commitment to holistic stewardship, it fulfils a far more dynamic and enabling role, actually contributing to the church’s survival. The dynamics of accounting in this local church were vastly different from those at a diocesan or administrative level because of a breakdown in the institutionalised nature of the church in the local faith community, an enhanced interaction between clergy and church members, and a closer connection with resource-providers.

In explicating attitudes to accounting in one church, some larger issues have been considered than those limited by the confines of one particular organization. It is a means of giving visibility not only to one religious organization, but to the reality that religion plays a larger part in society than is generally reflected in academic literature, opening the door for further discourse on exactly what religion is, how prevalent it is in society, and how it accommodates the practice, or the very nature, of accounting. Local church attitudes to

accounting cannot be understood simply by understanding the structure of a denomination and its financial reporting requirements, or even the organizational structure of the local church.

The church's religious beliefs form the foundation of the attitudes, practices and relationships of its clergy and lay people, employed and voluntary, and together with its resourcing realities, create a unique context for the practice of accounting. It is not enough for a religious organization to have a spiritual agenda: without due attention to the need to resource its mission, and to account adequately for this, that spiritual agenda is likely to fail. This needs to be understood in a vast range of other organizations, particularly nonprofits, which are similarly driven by an agenda not dominated by the creation of wealth. To turn their backs on accounting, or to view it as somehow less than what they are concerned with, is to ignore something which can assist greatly in the fulfilment of the organization's mission. The spiritual and purposeful attitude of a local church and its use of accounting to assist in the fulfilment of those purposes could have a relevance to many other organizations which, while having a profit motive, are driven to the fulfilment of a unique mission.

Further, this study provides another example of the vast array of possibilities for accounting in organizations, not only in its manifestation, but in the motivations and attitudes that have formed its practice. It is not merely an objective, inert technique, but a social craft dependent on the outplaying of an almost infinite array of organizational variables. To anybody interested in human motivations for accounting, every story of accounting in its unique setting adds to the range of possibilities, not only of what accounting is, but what it can achieve. Accounting has been shown to be not inherently sinister. While there are always possibilities for manipulation wherever accounting is practised, there is no necessary contradiction between a church's spiritual agenda and the use of accounting techniques to fulfil that agenda. Unlike much critical accounting research, which focuses on the oppressive power of accounting, this study focuses on its potential to enable an organization to achieve even spiritual goals.

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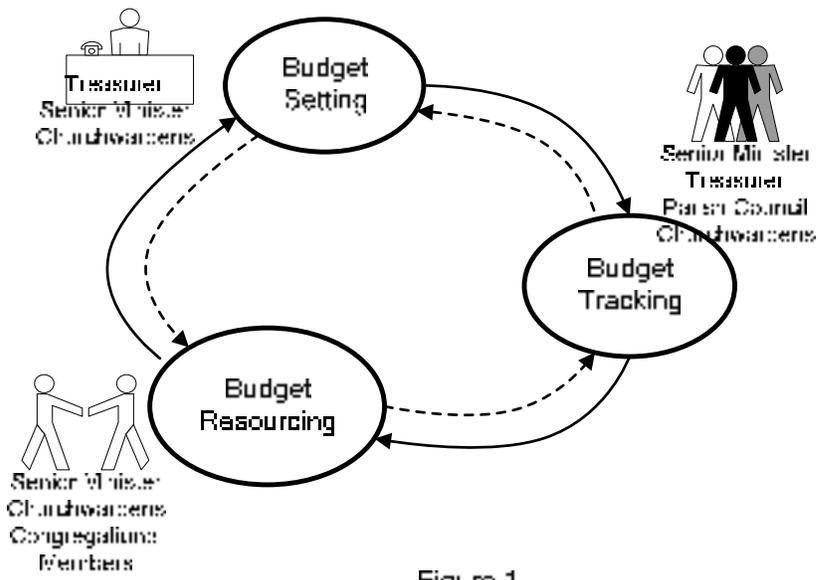


Figure 1.
The budget cycle and organizational participants

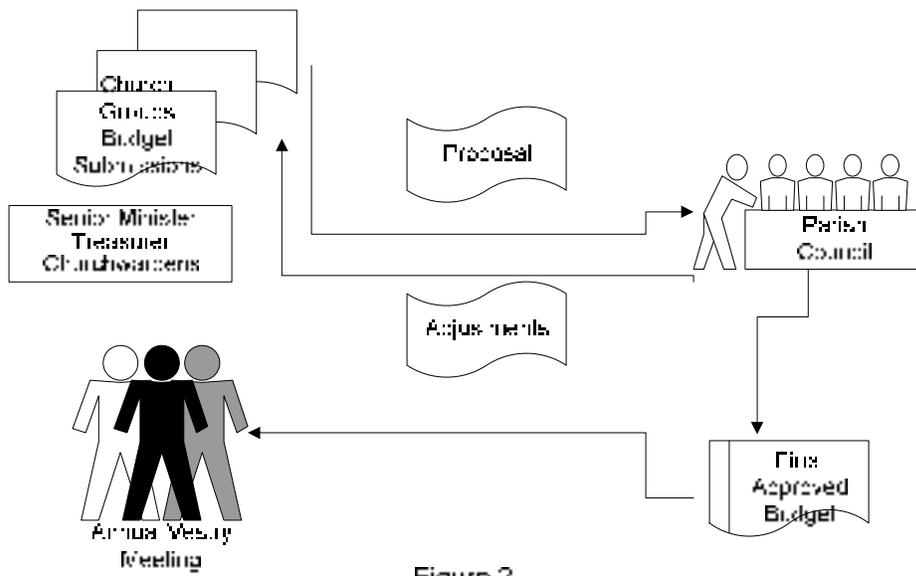


Figure 2.
The budget approval process

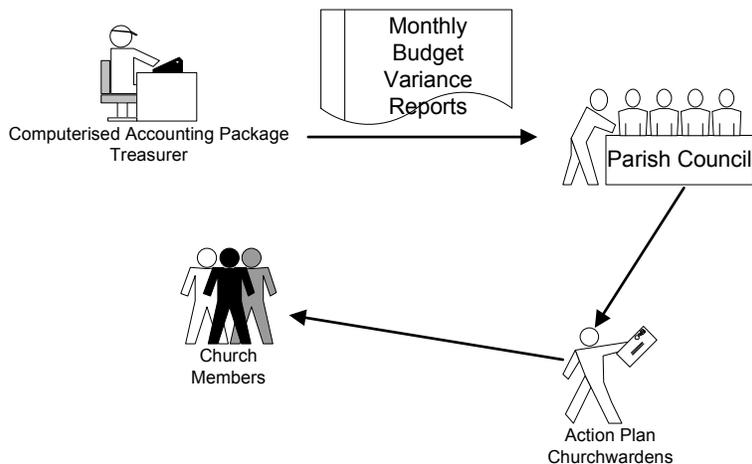


Figure 3. Resourcing the budget

^[1] The parish council was elected at the annual vestry meeting, and was a church committee with the right to confer with the minister about the “initiation, conduct and development of church work”, as well as fixing the stipend of the minister, and other financial responsibilities (*The Seventh Handbook*, 1994, p. 43).

^[2] The annual vestry meeting must be held by every licensed church in the diocese in February or March each year “to receive the reports and audited financial statements of the churchwardens and to elect an auditor, churchwardens, parish council and possibly church committee members” (*The Seventh Handbook*, 1994, pp. 35 – 36).

^[3] These included the present senior minister, a former church treasurer, the present church treasurer, a present churchwarden, a former churchwarden, and a parish councillor. Each church has three churchwardens, one appointed by the minister and two others elected at the annual vestry meeting. They are responsible for the finances of the church, but the actual treasurer’s role may be delegated (*The Seventh Handbook*, 1994, p. 37).

^[4] To the Protestant, labour was “the outward expression of brotherly love”, according to Weber (1930, p. 81).

^[5] Booth observes, quite correctly, that the concept of resistance to accounting “would appear to be inconsistent with Weber’s classic work on the “Protestant ethic” and its role in the development of modern capitalism” (Booth, 1993, p. 57).

^[6] Demerath (2000, p. 7) provides four identifications of the sacred, one being the sacred as “counter-culture”, being a combination of “institutional forms with a compensatory (alternative) function”. He describes them as “movements, organisations, and communities that offer a distinct – and sometimes aggressive – alternative to the societal mainstream”.

^[7] Booth (1993, p. 41) observed that the nature of sects, as distinct from churches, made these cases “atypical”.

^[8] It is sometimes linked with capitalistic ideas (Mohon, 1999, p. 45).

^[9] Many denominations, particularly the Anglican church, are made up of widely divergent theological factions.

^[10] The phrase “reformed episcopacy with a prayer book liturgy” refers to three aspects of a church: its theology (“reformed”), government (“episcopacy”, i.e. a system of bishops), and the way it conducts its services (“prayer book liturgy”).

^[11] The Thirty Nine Articles, as formulated in the sixteenth century, are the historical basis for reformed Anglicanism.

^[12] The Standing Committee, elected at the annual Diocesan synod, was made up of both clergy and lay people.

^[13] This reference to church referred to the local church, not the institutionalized denomination.

^[14] Laughlin et al (1994, p. 64) drew on Marx's distrust of the power of money to describe "the latent fear of the power of money to undermine and redefine authentic work".

^[15] Zelizer (1994, p. 1) suggested that money takes on complex social meanings in different contexts. The giving of money to the church, and the linking of it to the mission and focus of the church, therefore provide an antidote to the popular perception that money is essentially corrupt.