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of Budgeting in a Local Church

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Pass the Plate Around Again: A Study of Budgeting in a Local Church

A paper prepared for the Fourth Critical Perspectives on Accounting
Symposium
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by
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Abstract

Is there a contradiction between the spiritual aims of a religious organization and its need to gather resources in order to fulfill these aims? This is a study of budgeting in a local church. It considers the tension between the “sacred” agenda of the church and the often-perceived “secular” nature of accounting. There was potential for this difference to lead to resistance to accounting as it was practised within the church, and this has been considered from the point of view of the church’s religious belief system.

The study was based on a consideration of accounting reports, meetings, financial techniques, and interviews with people involved in the development, implementation and resourcing of the budget. The religious beliefs of this particular church were found to have a significant bearing on attitudes to accounting.

Because the church was responsible for providing its own resources, and this resourcing was perceived as being spiritual in nature, resistance to accounting in principle was minimal. While it was not permitted to dominate the activities of the church, it was actually used to objectify the goals of the church, and also to legitimate or justify certain actions. The formulation of the budget was seen as an outworking of the sacred aims of the church, and it played a particularly strong role in an assessment of the success of the church in achieving these aims.

Studies of the use and significance of budgeting in other churches (or non-profit organizations), different in their size or denominational affiliations, could provide further insights into a potential sacred/secular dilemma in religious organizations.

*“The sacred must become secular and the secular must become sacred”
Robert Schuller*

Introduction ...

How does a religious organization, with a spiritual agenda, reconcile the inevitable tension between its spiritual aims and the necessity of providing funds in order to fulfill those aims? What part does accounting play in the working out of this tension? Are there implications, because of spiritual considerations, for the acceptance of accounting as a legitimate management tool? This study of a budgeting system within a local church considers these questions in the context of the religious belief system of the church.

Booth [1993] identified several types of church accounting literature, including “how to” studies, case histories, and those studies which distinguished between “spiritual” and “non spiritual” (“sacred” and “secular”) aspects. “How to” studies, ie. those which are concerned with improving the techniques available for church accounting, have tended to be largely context-independent, and histories of church accounting similarly, Booth maintained, “tell us little about accounting as a situated practice” [Booth, 1993, 43]. Laughlin’s [1988] case study of the Church of England’s accounting system considered the sacred and secular aspects of accounting in a religious context. He proposed that within any religious organization there was a dividing line between the sacred and profane, and that accounting was therefore merely tolerated:

Accounting systems, in this context, are legitimate aids ... but they are not part of the sacred agenda and should not interfere with the most important spiritual endeavours of the Church of England. [Laughlin 1988, 38].

While not highlighting this division specifically, Parker's study of reactive planning in the Victorian Synod of the Uniting Church in Australia made observations which were not inconsistent with this sacred/secular division. He identified an infiltration of secular culture into the culture of the church, specifically materialism, individualism and immediacy:

As a Church that preaches a social gospel of community concern and community action, the UCA is perceived by some of its own to risk an excessively secular identification within Australian society ... the intrusiveness and pervasiveness of secular culture into the Church's own life and theology may then go unnoticed by its own clergy and membership. [Parker, 1994, 5].

He also observed that conflict surfaced in a budgeting context where the "sacred agenda" appeared dominant over "secular resourcing concerns" [Parker 1994, 16].

There has been very little, if any, research published which considers these sacred/secular aspects at a local (as opposed to a denominational) level. It is hoped that by taking as a basis of consideration this potential tension, the charges of being unrelated to context, of being merely a recitation of "how to" techniques, or a simple historic description, will be avoided.

The next section of this paper describes briefly the gathering of data, and then the significance of the religious beliefs of the church is discussed. An analysis of the church's budgeting system follows, with conclusions suggested about the significance of this study and the possibility of further research.

Gathering Data ...

Case studies span a wide range of philosophical bases - in some form or another, most 'groups' of accounting researchers make use of them. The very nature of the considerations already raised indicates clearly that this study is concerned not with accounting numbers and procedures for their own sake, but with the way people use and interpret these numbers, and the meanings they assign to them [Chua 1986, 617]. This does not mean the numbers are not important, but simply that they assume varying degrees of importance in different organizations [Dent 1991, 707]. Particularly in a religious organization, there is the possibility they will provoke varying degrees of resistance.

It would be impossible to assess potential resistance to accounting from studying only the financial reports of an organization, so the minutes of meetings were also considered in order to determine how those reports were perceived by members. Further insights were gleaned from a series of interviews with key members of the church. Almost all the interviewees thought, initially, that they were going to be judged about how much they knew about the church's accounting system. A number joked that the interview wouldn't take long, since they didn't know much! All relaxed when it became apparent to them that it was their perceptions and use of accounting which were being discussed, and not their technical expertise.

Interviews, and oral history, have been used for many years by historians and other researchers, but have been given limited exposure within accounting research [Collins and Bloom 1991]. Oral history can potentially add a new dimension to accounting research:

It is one thing to find information in written sources, another thing to hear directly from the individuals involved about significant occurrences in the development of accounting practice. [Collins and Bloom 1991, 30].

It must be recognized, however, that individuals were giving their own perceptions, and for this reason, interviews were used in conjunction with written records.

This subjectivity is not confined to those interviewed. Contrary to Kaplan's opinion that a descriptive researcher begins with "empty hands" [Kaplan 1984, 8], it could be argued that most bring to their research their own set of beliefs and preconceptions:

It would be an unusual investigator who began a piece of research without preconceptions. Just as one does not enter a crowded room without some basic ideas on rooms and people, so one brings vital prior orientations and dispositions to a given research subject. In the broadest sense, as researchers we carry our own values and worldviews, to a greater or lesser extent, into our research ... we ignore such subjective (often unconscious) influences at our peril. [Smith et al 1988, 99].

This is especially true in this case, not only because the notion of a sacred/secular tension has been adopted, but also because the author is both a member of the church and married to the senior minister. It is difficult to assess the impact of this on the interviews which 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. There may have been a reluctance to broach certain topics, or an inherent reserve, on account of this pre-existing relationship.

This is the study of one particular organization. While it is difficult to generalize from one organization, some of the possibilities suggested in the work of Booth [1993] and Laughlin [1988, 1990] have been explored. The starting point is a consideration of how religious beliefs affect attitudes to accounting.

The Significance of Religious Beliefs ...

Laughlin's starting point in considering accounting systems in the Church of England was to give some insight into the underlying nature, or "central dynamics" of religious organizations [Laughlin 1988]. Beginning with Durkheim's division of all things into the "profane" and "sacred" [Laughlin 1988, 24], he went on to develop this notion further, and agreed with Eliade's notion of a "central sacred sanctuary" [Laughlin 1988, 24]. Irrespective of the god worshipped, he claimed that this centre, obvious in any religious organization, performed two functions:

... firstly, as a point around which a new sacred world with defined boundaries can be founded and as a place where devotees can learn from the gods "appropriate" behaviour. [Laughlin 1988, 25].

This division, Laughlin further claimed, had implications for accounting, since it led to a resourcing problem. How was the central sacred sanctuary to be funded without reliance on the secular world? The solution to this problem, he maintained, had to be achieved "without intruding into the important spiritual work of the centre" [Laughlin 1988, 26], and therefore became a constant tension within any religious organization.

How does a church judge whether a secular intrusion has been made into this spiritual work? Obviously, the achievement of success in achieving spiritual aims would be very difficult to assess, since "the dominant ends in such organizations are transcendental, which makes any empirical assessment of their achievement impossible" [Booth 1993, 50]. Booth commented that any attempt at such analysis would mean that "a temporal, empirical intermediate end" [Booth 1993, 50] must be substituted for a transcendental one. The adoption of any such temporal measure, in the form of accounting or management practices, for example, could therefore be open to the charge of being either an inappropriate measure of spiritual achievement, or even theologically invalid.

Religious beliefs vary widely between faiths, denominations, local churches, and even within those groups. The extent to which these beliefs can accommodate accounting techniques and measures therefore will also vary widely. In the sense that a move to accept modern accounting and management practices represented change, Booth [1993, 51] proposed that "it was possible for other interpretations to support the change as consistent with such beliefs". This accommodation (or resistance) to secular practices will, in an individual organization, be influenced largely by the attitudes of those in

positions of power and influence, and by their interpretation of the extent to which their religious beliefs can accept accounting.

Parker's [1994, 5] assertion that within the Uniting Church in Australia there had already been an infiltration of secular Australian culture is an example of the intrusion of the secular into the sacred domain. Booth [1993] maintained the necessity of individual studies in this area:

... 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.* 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, 53; *italics added*].

In the case of an individual church, it is possible to ascertain what its religious beliefs are by considering its theological stance, teachings, and writings about its beliefs in the form of publicity and stated goals. How those beliefs are interpreted in practice, and their likely impact on perceptions of accounting within the church, are aspects which are more difficult to assess.

The church which was the subject of this study was a local Anglican church within the Diocese of Sydney. With a weekly congregation of 600, it was considered large by denominational standards. While it was part of an organizational hierarchy, there was freedom, at a local level, for the church to express its own unique culture. The denominational requirement for annual audited financial accounts indicated the importance, at a diocesan level, of an accurate accounting system. For an understanding of how people actually regarded accounting within the church at a local level, the perceptions and practices of individuals, especially of those who were instrumental in setting and administering the budget, were relied on. The church's stated slogan, "Grow in God" [Story of Figtree 1991, 10], was defined in terms of numerical (easy to measure) and spiritual (harder to measure) growth. Being an Anglican church gave no real indication of its theological position, since Reformed Episcopacy with a prayer book liturgy 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 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. [Irvine 1989, 5].

A "sacred" core of belief was thus identified. To tamper with this was perceived to be wrong. Instead, leaving it intact, what must be done was to present it in a way that was relevant. From the minister's point of view, secular management practices, provided they were not inconsistent with these core theological beliefs, were acceptable. He displayed

no difficulty in applying a numerical “surrogate” (to use Booth’s terminology) in assessing 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.

While this philosophy of budgeting was accepted by the parish council (the management board of the church) 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 be spiritualised, or made 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].

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. Provided it did not conflict with these core religious beliefs, most 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. [Rector].

In trying to ascertain attitudes to accounting, it was very difficult to separate those from attitudes to money and resourcing, since budgeting was the area in which the tension between sacred and secular aspects was most obvious. If the aims of the church were

seen as spiritual, and money as secular, then accounting, as a means of reporting on money, would also be part of a secular system. Yet there was an acceptance that it had to be that way. The spiritual aims of the church could not be fulfilled without funding, and accounting played a role in working out how much funding was needed, and in keeping track of whether that funding level was being achieved:

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 ... [Minister].

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, 23]. The opportunities, at a denominational level, for variations in religious beliefs, and therefore variations in perceptions of what constituted sacred or secular activities, were great.

At a local church level, the religious beliefs of an individual congregation, while not likely to be completely homogeneous, were likely to be more monochrome, without the wide divergences possible at a denominational level. One practical reason for that could be that a single, smaller organization was being considered, and another that individual members had the ability to move from one church to another until they found one which they felt expressed their religious beliefs. No longer were local parish boundaries, within a denomination, a limiting factor, and the proliferation of other churches with a variety of

cultures, made competition between churches active. A further reason could be the ability, within even a large church, for congregational members to know one another, and to be in a position where they must work together, either harmoniously or with tension, on a regular basis. There could often be a distinct incompatibility, at a denominational level, between the beliefs of various churches, and a lack of regular personal contact, which could exacerbate any theological differences that already existed. There would also be a difficulty, at a denominational level, in setting achievable goals, because of the distance between the ordinary members of the denomination and the hierarchical structure. All these factors could have a significant impact on the acceptance or rejection of accountants and accounting. If local church members *liked, respected and valued* their own church treasurer, and saw that treasurer as someone who shared their religious beliefs, they were much more likely to trust and accept the accounting reports prepared by that treasurer, and therefore to value the role that accounting played in the management of the church:

Interviewer: How much did you feel people simply trusted you because you were the treasurer ... without delving too much into the finances?

Former treasurer: Implicitly. It worried me at times. But they did.

Booth [1993, 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 clergy and other occupational groups. 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, 54] then there could be a devaluation, in their eyes, of management practices in general, and accounting in particular.

Official denominational structure and law would appear to leave open the possibility for this to be the case, but it was not obvious to any great extent within this church. The minister, interested in the church finances, 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 were members of the local church, and all had placed themselves under the same religious belief system. The potential for conflict, at least at that level, was therefore reduced significantly. The relationship between the minister, churchwardens, and treasurer, was described by a former churchwarden as “a good partnership”.

The reason for this partnership, it is proposed, apart from a religious conviction that accounting was not necessarily secular, or could be made sacred, was a very practical one: the church was responsible for meeting its own resourcing needs. This factor appeared to break down much potential resistance to accounting, when it was viewed as a necessary tool in the identification and provision of financial resources needed in order to fulfill the aims of the church. The church was not able to wait passively on funds from a central denominational office. It did not have the luxury of going about its “sacred” business without any consideration of how that business was to be funded. The next

section explores in more depth the budgeting system of the church and its implications for the acceptance or rejection of accounting on sacred/secular grounds.

The budget ... a document made sacred?

Far from being perceived as a secular intrusion into the sacred business of the church, the budget was treated as a very important document, and a great deal of time was devoted to considering submissions and preparing it, and then the following year comparing budgeted income and expenditure with budgeted amounts, and taking action to address any variances between the two. The minister's opinion that he believed in "church growth by budgeting" was reflected in the setting of a budget which incorporated the goals and vision of the church. 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, this 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.

Three stages were identified in the budget system, all of which were interdependent and cyclical. The setting of the budget, for example, was partly based on perceptions about how it could be resourced, while its implementation highlighted resourcing needs, which in turn, provided fresh input into the setting of the next budget. *Figure 1* illustrates these stages:

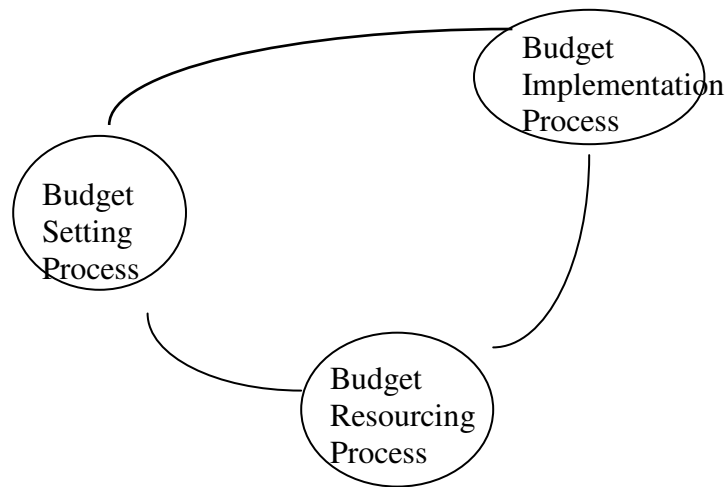
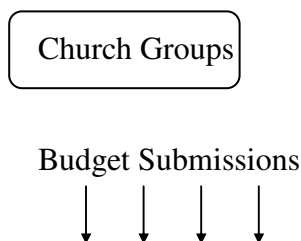


Figure 1. The budget cycle.

The budget setting process began usually with a meeting of five people, the treasurer, the churchwardens (two are elected annually by the members of the church, and one appointed by the minister), and the minister. Staffing needs made up the major part of the annual budget, and there were perceptions of 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. 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. This process is described in *Figure 2*.



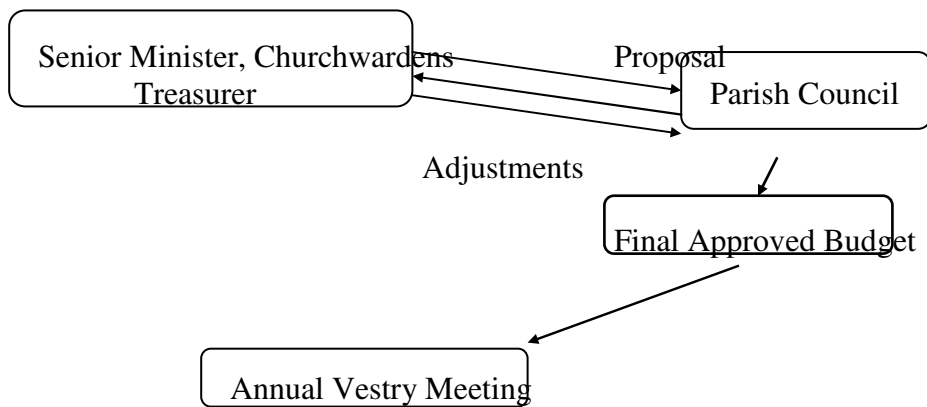


Figure 2. The setting of the budget.

Religious beliefs 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.

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 felt 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.

Because of a poor response by most group leaders in preparing budget proposals, and therefore not having a voice at the budget-setting stage, the setting of the budget, while it occupied a great deal of time in parish council meetings towards the end of each calendar year, involved only a very small number of the members of the congregation. For most of the other members, then, it was an imposed budget, presented for the first time, in its completed form, at the annual vestry meeting, the annual general meeting of all church members. There was the opportunity at this time for discussion to take place on the budget for the year, but the acceptance of the budget was the responsibility of the parish council, a group of representatives elected annually.

At these annual meetings, an ongoing debate, in which accounting played a significant role, was the issue of the church's missionary budget. Historically 10% of offertories were given to missionary organizations, but some argued that this ought to be 12%, and portrayed it as being a directly spiritual issue. Those who wanted to maintain giving at

10% maintained just as strenuously that their position was not a sign of spiritual failure. A parish councillor recollected that financial data was presented, showing that the church actually gave 13% or more to missions if other collections for various aid agencies were taken into account. The annual vestry meeting voted to recommend to the parish council that missionary giving be set at 12%, but their power was only to recommend, not to enforce. The treasurer presented figures to the parish council showing the impact of giving various percentages to missions, and “what it did to the numbers”. The parish council finally voted to maintain giving at 10%, although the treasurer did acknowledge that there were “other agendas” apart from the figures themselves.

While it may seem on the surface a trivial issue, it exposed a great deal about the way accounting was actually used in the decision making process. Hopwood identified various roles of accounting within an organization, one being that of objectifying phenomena [Hopwood 1990, 9]. Accounting was used in this instance to justify a practical position, and also, on the other side of the case, to promote what was defined as a theological stance. The breaking down of the debate to a 10% versus 12% argument isolated the two cases and put them into opposition with each other. Accounting numbers, believed to represent a cogent argument, were used as justification for both cases.

The implementation of the budget, as illustrated in *Figure 3*, had implications for resourcing, in that variances between budgeted and actual receipts and expenditure were reported.

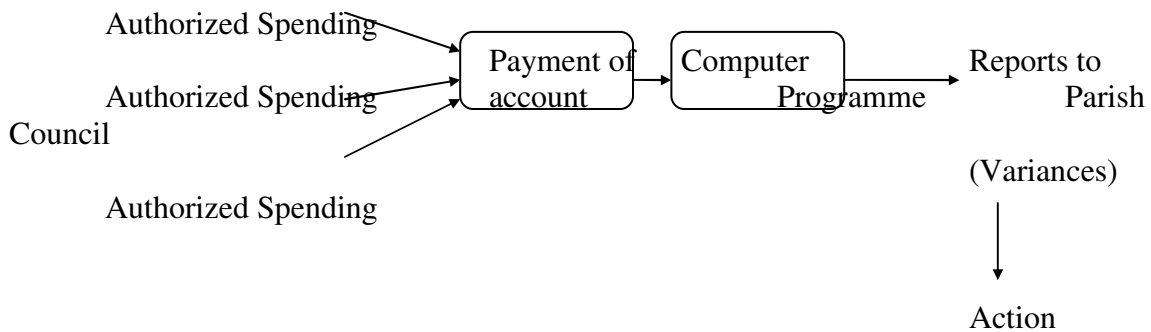


Figure 3. Implementation of the budget

While these reports were seen to be important, the sacred agenda was to be paramount, and accounting was there to serve that. Monthly reports by the treasurer to the parish council were therefore 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 recognized that sometimes these inevitably went above budget. The major interest displayed in the monthly accounting reports 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, were of great importance. In this it was difficult to distinguish between membership and financial resources [Booth 1993, 57], since the two were inevitably linked.

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 which 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, and 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 4* illustrates this process.

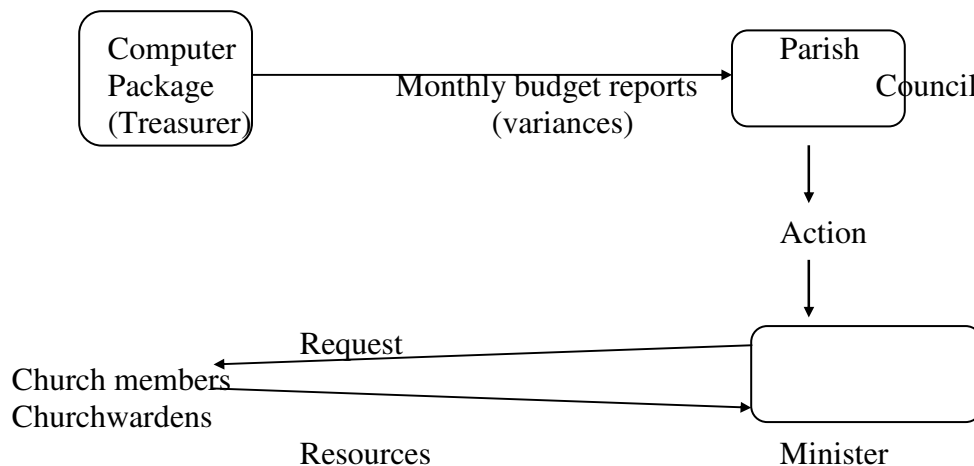


Figure 4. The resourcing of the budget.

While it was recognized that there had to be a sense of realism about financial affairs, 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 which determine the financial decisions people make, but the other agendas are often hidden or obscured. In this situation, there was another openly acknowledged agenda, which therefore would have the potential of conflicting with accounting information. Give the significance of religious beliefs, there could be situations where decisions would be made which challenged, or even defied, good accounting or management principles.

One example of this was in the building of the present church complex, eleven years ago. From a denominational point of view, it seemed to be viewed as an extravagant and ill-informed plan, according to a former churchwarden:

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 (*the Executive of the diocese*) ... 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, and the doing 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.

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. It was pointed out by a former churchwarden, who now serves on the diocesan Standing Committee, that at this level, resourcing was viewed very differently from the way it was viewed in a 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 is different. Church requires relationships between people, and faith in God and things like that. Standing Committee doesn't require that.

The close relationship between the church and the source of its resources (members) is not felt at a denominational level, where funds are received from local church assessments (taxes levied by the diocese on local churches) and from investment income. This distance can reduce the perception of reliance on a particular group of people for resources, and consequently increase the reliance on accounting numbers in order to plan ahead financially. Clergy at a diocesan level are therefore not as accountable, in the financial sense, to a congregation, as are clergy at a local church level. The acceptance of a budget, and the willingness to provide resources in response to that budget, are an indication of the support for spiritual work of the local church.

As far as the budget was concerned, the vision (the sacred work of the church) was objectified or made concrete by means of the annual budget, a recognition that to achieve this sacred work, attention needed to be paid to financial realities. Hopefully those realities would be sufficient to fund the vision. It was seen to be the role of accounting within the church to keep track of what those financial realities were in order that the sacred work of the church would not be compromised. In no sense, however, was accounting to be allowed to set the agenda in meetings, although it did set the agenda in terms of weekly offertories. 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. This resourcing was seen not a secular function, but a sacred one, and accounting therefore had an important diagnostic role.

Conclusion...

This has been one of the “other ‘stories’ of the relevance of accounting in churches” proposed by Booth [1993, 60]. The work of both Laughlin [1988] and Booth [1993] provided guidelines and raised issues and principles which it was helpful to consider. The agenda of a church is usually spiritual, at least officially, but resources are required to achieve these spiritual aims, hence the tension, or potential resistance to accounting as a “secular” intrusion into an otherwise “sacred” world. The budgeting system of this church has illustrated the tension between these two aspects.

Accounting was not generally portrayed as being contrary to the spiritual aims of the church. The greater uniformity in beliefs within a local church, and the church’s responsibility for its own resourcing, distinguished this study from the work done by both Laughlin and Booth, who concentrated, for the most part, on accounting at a denominational level.

The role of the clergy in maintaining a sacred/secular division was similarly considered. Within this church there was an interest displayed by the minister in the accounting system, at least as it related to the vision and consequent resourcing needs of the parish. Past and present treasurers and churchwardens displayed a keen awareness of the spiritual emphasis of the church, and appeared to see no inconsistency or division between the operation of those aspects and church accounting. Although there was resistance to the notion that accounting might dominate spiritual concerns, there was little evidence of resistance to the use of accounting in principle; in fact, accounting was used on various occasions to objectify goals, and also to justify opinions on various financial matters.

This acceptance could have been due to the fact that the church had to provide its own financial resources. The church constantly experienced a resourcing need, mainly due to the principle of building growth into the budget and setting the congregation a financial target to reach in terms of offertories. Because the church's only form of revenue was these offertories, this was gauged to be a barometer of the congregation's spiritual state, and any resourcing crisis was interpreted as a "sacred" crisis. Accounting had a significant role to play in the setting of a budget, with reports on budgetary variances being crucial in the identification of a resourcing crisis.

The individuality of this study, while acknowledged as limiting the generalisability of any "findings", nevertheless should not prohibit the raising of certain issues which are especially interesting and may be worthy of further research. A similar study of how accounting is perceived and used in a church which is smaller (financially or numerically) or more conservative (theologically or financially), or one without an official system of denominational accountability, would undoubtedly provide further, but different, insights into the dynamics of how accounting is actually practised within a religious organization. Similarly, the notion of a sacred/secular division would be a useful starting point for a study of any organization, such as a charitable or service one, which had a stated agenda other than profit-making. Consideration of budgets in particular, and their significance in such organizations, would reveal much about whether accounting was accepted as a means of objectifying spiritual goals.

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