

Towards an Effective Financial Management⁴⁹ of Funds Generated from Offerings in the Church: A Study of some Selected Classical Pentecostal Churches in the Ashanti Region of Ghana.

Iddrissu Adam Shaibu

Department of Religion & Human Values, University of Cape Coast, Cape Coast, Ghana

* E-mail: iddrissushaibu@yahoo.com

Abstract

This paper looks at how some selected classical Pentecostal churches⁵⁰ in the Ashanti Region of Ghana could be proactive in managing their funds generated from their offerings above reproach⁵¹. This has been done using both primary and secondary sources. With respect to the primary sources, the purposive sampling and the lottery system were used. While the first method was used to sample the church leaders for interview, the other was used to sample a total of one hundred and seventy-one respondents from the congregations of churches 1, 2 and 3. Besides the researcher made several visits to these churches to observe most of their activities.

It came to light that these churches have a lay down routine procedures that have been put in place to help their accounts clerks to prudently manage their funds. In spite of these routine procedures, the accounts clerks are not leaving above reproach and this is due to some challenges confronting these selected churches with respect to the management of their offerings. However, this issue can be minimized or perhaps over-come when the churches appoint qualified accounts clerks as full-time employees. The churches also need to go further by providing adequate office spaces equipped with the necessary machinery that would enable their accounts clerks to operate efficiently and effectively.

1. Introduction

In our contemporary world, hardly a day passes by without the news media informing us of corruption⁵² in the country. Corruption in Ghana is so common that many Ghanaians assume that some of the most trusted institutions such as the Church is corrupt. In our current dispensation, the Church cannot afford to be reactive but remain proactive in managing its finances above reproach. In other words, there should not be a hint that the Church's finances are not managed properly. This is because the Church by nature is supposed to be playing a major role in the quest for transparency and accountability in our society today. Besides, the congregations want an assurance from the leadership that monies that they give sacrificially to the Church as their offerings are used prudently. However, while some stakeholders in the management of offering in a section of the Church are proactive in managing their churches funds above reproach others are just doing the opposite by pilfering their churches' offerings⁵³. Churches 2 and 3 happen to be victims in this instance. Apart from this, in Ghana the print media often carry stories of pilfering of offerings by either the clergy or the laity. A point in case is a private newspaper that carried on its front page, a story of a

⁴⁹ Financial management has been looked at from different perspectives by different scholars. J. Riley sees financial management as the planning, organizing, directing and controlling of the monetary resources of an institute. However, in these selected churches these functions are performed by the leaderships of these churches. In actual fact, what the accounts clerks of these churches do daily is the handling, safe keeping and disbursement of their churches' funds. Thus, the term 'financial management' is seen in the context of handling, safe keeping and disbursement of generated funds from offerings.

⁵⁰ For the purpose of anonymity, a mechanism of identifying informants and the selected churches was adopted and this is based on the work of Labov (1966). Thus, the selected churches would be referred to as Church 1, Church 2 and Church 3 and their respective heads as Rev. Yiadom, Pastor Kyei and Rev. Bofo.

⁵¹ This article is an extract of the researcher's unpublished M'Phil dissertation submitted to the dept. of Religion and Human Values, University of Cape Coast-Ghana

⁵² Corruption has been defined from various perspectives by different scholars. S. M. Lipset and S. G. Lenz, Corruption, culture and markets. *In culture matters*, L. E. Harrison & S. P. Huntington (eds.) (New York: Basic Books, 2000), 112. These scholars see corruption as making efforts to secure wealth or power through foul means for private gains.

⁵³ The term 'offering' is used to refer to monies that are freely given by Christians to their churches during religious services in support of God's work. It is also known that offerings may, in principle, mean the devotion of one's time or ability or both to God's work, but are not used in this sense.

former accountant of the Winners Chapel, Ghana, who stole a large sum of the church's offerings. The church offerings, according to the report, were "suspected to have been pilfered directly from the offertory box after normal church service"⁵⁴. Thus, while some account clerks are prudently managing their churches' offerings above reproach others do the opposite. Hence, it is important to examine the procedures put in place by these selected churches in the management of their offerings. This will enable one ascertain perhaps the challenges, if any, that these churches are facing hence their inability to manage their offerings above reproach.

2. Procedures for Managing Offerings in Churches 1, 2 And 3

Churches depend on the offerings they collect for their survival; for the activities and operations of churches go with the demand for money. In order to execute these responsibilities there is the need to manage the monies prudently. Money is one of the basic components for the survival of any institution in the world, including the Church. Therefore, if Church monies are not properly managed it often creates problems like mismanagement of offerings, embezzlement, conflicts, and the possible collapse of the Church⁵⁵. In order to help minimize this embezzlement the national headquarters of churches 1, 2, and 3 have placed some routine procedures to address this issue; as a matter of fact churches 1, 2 and 3 are mandated by their respective national headquarters to implement these procedures. These procedures are provision of office(s) for their staff, the formation of project/estate committees and the employment of qualified financial experts: account clerks and auditors, both internal and external (Larbi, 2001). These procedures are to aid in the smooth financial administration of these churches.

On the issue of provision of offices for staff, it is only Church 1 that has a well equipped office for their accounts clerk. Churches 2 and 3, however, do not have offices for their accounts clerks. In the absence of offices, the accounts clerks of both churches use the halls of their mission houses as their offices. This situation does not promote the smooth financial administration of these churches. For instance, offerings that are collected over the weekend and are kept there are likely to be stolen. Under such a situation, it may be difficult to find the culprit since some of their members get in and out of the halls of these mission houses.

Concerning the quality of human resources⁵⁶, all the three churches have employed some of their members who are either accounts clerks or auditors. The auditors are tasked to audit the financial books of these churches every January and July each year. Currently, Church 3 has Elders Kwaku and Kwame, both accountants in two of the Senior High Schools in the Afigya Sekyere East District in the Ashanti Region, as internal auditors. The respective national headquarters of these Churches occasionally send external auditors to audit their accounts books.

In addition, the accounts clerks are mandated to occasionally publish the financial standings of their respective branches for the scrutiny of their congregations. However, Churches 2 and 3 rarely give accounts of their yearly financial statements to their congregations and the head Pastors could not give any reasons for such a failure. Apart from Church 1 that has a notice board and thus occasionally publishes their yearly account for the consideration of their members, the other churches do not have a notice board, let alone paste their financial statements. The other side of the argument is that it is uncertain how many of the members of Church 1 would be able to read and understand the financial statements pasted on their notice board. In anticipating this problem, the leadership of the Church has a system in place called the 'mini seminar'. This is where the church organises an informal seminar to explain their yearly account statements

to their various group leaders. The leaders are also expected to pass on the information to their group members.

Apart from these yearly financial statements, the accounts clerks prepare and send their monthly and quarterly statements of accounts to their respective national headquarters through their respective regional headquarters. For

⁵⁴ See 'The Statement' (Private Newspaper) 02/06/08, pp. 1-2.

⁵⁵ J. U. Idialu, "Towards an effective financial management in Nigeria Churches" In *Nigeria Journal of Christian Studies*, Vol. 1; (pp. 60-68).

⁵⁶ These human resource personal (accounts clerks, internal auditors) together with the ushers that handle the day-to-day management of their offerings are part of the unpaid officers of these churches. They are thus rendering a voluntary service to their churches. In terms of education, the accounts clerks of these selected churches are not trained accounts clerks. They have what the Constitution of the Church of Pentecost (Ghana) (2005: p. 73) refer to as 'a moderate amount of education or functional literate'.

instance, on the 14th and 16th of every month, the account clerk of Church 2 is mandated to prepare and send the church's total Sunday silver offering for the month to the national headquarters. The auditors on the other hand, occasionally audit the accounts of their respective offerings and submit their reports to their Senior Pastors for onward forwarding to the national headquarters through the regional headquarters for vetting by the national external auditors. The findings of the national auditors are presented to the respective General Overseers/ Chairpersons of the Churches, the Local as well as Area Heads in the case of Church 3 for their attention and prompt action/advice (Rev. Boafo and Pastor Kyei, Personal communication, August 20, 2011 and August 23, 2011 respectively).

Another measure is the formation of project/estate committees by these churches, and these committees are responsible for procurements. These committees are mostly headed by Senior Pastors and their mandate is to ensure transparency and accountability in the disbursement of project funds in these churches. However, these churches do not always go by the procurement rules of allowing potential suppliers to bid. What these churches do can be termed as 'internal identification of potential suppliers among members'. In other words, the project committees identify among their congregation a member(s) who can supply their churches' needs. In a situation where there are two or more members who are into the same business, but with different enterprises, what these churches do is to go in for the person who would offer them the lowest price (Rev. Boafo, Rev. Yiadom, and Pastor Kyei, Personal communication, August 20, 2011, August 22, 2011 and August 23, 2011 respectively). This act of going for the lowest price is the best since in competitive bidding process institutions normally go for the bidder with the lowest price. However, this process is likely to create tension between the members of the project committee with respect to the business entity that should be offered a contract. It is also likely to generate similar tension between the project committee members on the one hand and those whose businesses do not attract the attention of the committee on the other hand. This is because this practice has the tendency of creating favouritism in the course of awarding contracts by the project committees.

Furthermore, at the end of every month, certain percentage, about thirty per cent of the total offerings, is deducted and paid into the bank accounts of the respective national headquarters by the accounts clerks. The remaining amount is kept for the daily administration of these branches. However, in Church 3, it is the head Pastor who does the payment after which the pay-in slip is submitted to the accounts clerks who in turn complete the necessary accounting process. This is because in the 1990s some of their accounts clerks' embezzled their church offerings by not paying offerings meant for the national headquarters into the bank accounts of the national headquarters⁵⁷. These embezzlements later came to light and a directive was given banning all accounts clerks from receiving monies from the Pastors. The Pastors were to pay their offerings to their banks and the pay-in-slip(s) submitted to the accounts clerks (Rev. Boafo, Personal communication, August 20, 2011).

However, in Church 3, a further deduction of about ten per cent is made from the remaining amount and paid into the Regional/Area bank accounts of the Church. This is meant to support the Regional/Area branches. The remaining sixty percent is then kept for the daily administration of the local branches (Rev. Boafo, Personal communication, August 20, 2011).

Thus, one can say that the procedures discussed are not exhaustive of the list of routine procedures that can be put in place by these selected churches to curb the social canker of corruption in their midst. In spite of these procedures churches 1, 2, and 3 have not being able to bring corruption to its minimal, they are still battling with the same issue due to certain challenges.

3. Challenges in managing offerings in churches 1, 2 and 3

In the course of this research, one of the issues that came out was that the current process of managing funds generated from offerings in churches 1, 2 and 3 is not the best in this contemporary era in the sense that it serves as a recipe for embezzlements.

The system where these churches allow only one account clerk to send their offerings to the banks creates an opportunity for such people to pilfer their offerings. A typical incident occurred in the latter part of the 1990s, when

⁵⁷ All efforts to get the Pastor to mention the branch churches and the identity of those involved prove futile.

the accounts clerks of Churches 2 and 3 could not render account of the offerings that were meant to be paid into their churches' bank accounts. While the accounts clerk of Church 3 never sent such monies to the bank, his counterpart in Church 2 could not render proper accounts of his stewardship (Rev. Boafo and Pastor Kyei, Personal communication, August 20, 2011 and August 23, 2011 respectively). This challenge of embezzlement of offering could be attributed to lack of or inadequate supervision on the part of the head Pastors. Since these accounts clerks did not work as full time employees of the churches, the burden laid on the head Pastors to ensure that proper supervision was put in place to forestall such occurrence. For example, the head Pastors could have demanded a proof of the payment at a later date. Obviously, nothing prevented the head Pastors from requesting for the pay-in-slips from the accounts clerks. If they had done that the situation could have been prevented or its impact would have been minimal.

Another challenge identified is the collection of offerings by some ushers⁵⁸. Usually, the taking of offering is done by some of the ushers and its checking, counting and handing over to the accounts clerks are done in most cases by either an usher or two ushers. Some of the ushers who count the offerings were not faithful in their stewardship. According to the leadership of Churches 1 and 2, there were instances where some of their ushers were caught pilfering the offerings from the offertory bowl (Rev. Yiadom and Pastor Kyei, Personal communication, August 22, 2011 and August 23, 2011 respectively).

In the course of this study, a total of one hundred and seventy-one respondents were sampled from these selected churches. One of the issues that the respondents were to respond to was on transparency in the handling and management of funds generated from offerings in their churches. It came out that one hundred and five are not content with the level of transparency in their respective churches. Apart from the problem of irregular account rendering by their leaders, the respondents do not also trust both their account clerks and ushers. The members are of the view that some of their accounts clerks and ushers were/are not trustworthy. Such views are a serious indictment of the unfaithful clerks and the ushers. Thus, it is important for them to take a cue from the story of Ananias and his wife, Sapphira in Acts 5:1-7. Although the piece of land Ananias and his wife sold rightfully belonged to them, they lost their lives for lying to the Holy Spirit. Thus, they incurred the wrath of God because of their unfaithfulness. Accounts clerks and ushers are thus required to exercise responsible care over offerings entrusted to them.

Concerning what actions were taken against those who embezzled their churches' offerings, the leadership indicated that in incidences where the monies were retrieved, the culprits were counselled and relieved of their positions. In the view of this researcher this is not a punitive measure that could deter others from doing same. However, the church leaders have their own reason(s) for taking such an action and since the event has already taken place much cannot be said about their action. Probably, these churches need to take a second look at their disciplinary measures in the event of a similar occurrence. However, where such monies were not retrieved, the culprits were either ex-communicated or handed-over to the police for prosecution. For security reasons, the officials remained silent with regard to the personalities, as well as the amounts involved (Rev. Yiadom, and Pastor Kyei, Personal communication, August 22, 2011 and August 23, 2011 respectively).

In spite of all these procedures, churches 1, 2 and 3 are still facing challenges with respect to how best they can effectively manage their offerings above reproach. These challenges exist because of factors like poor remuneration of accounts clerks, lack of qualified account clerks, lack of trustworthy ushers and accounts clerks, loose supervision on the part of the leadership, loose internal auditing and connivance among accounts clerks and ushers. After identifying these factors, the question is; how can these churches minimise this canker? This paper therefore attempts to prescribe the way forward in dealing with this canker.

4. The way forward in minimising this canker

Since offering can be described as an engine that propels the growth and sustenance of the global Church generally and those in Ghana in particular, there is the need to employ, adopt, as well as implement prudent measures that

⁵⁸ An usher can be seen as a person who escorts people to their seats in the church. There is no formal criterion that is used in choosing them (the ushers). Normally, they are chosen based on their integrity and this is often based on one's years of service with the church as well as the observations made by the church leaders.

would lead to the effective and efficient management of offerings. It is in this light that the following suggestions/recommendations have been made for the benefit of the churches.

In the first place, there is the need for these churches to have at least two unrelated individuals in terms of age⁵⁹ with the following oversight responsibilities:

- Firstly, counting and handing over offerings to another two unrelated also in terms of age, trustworthy persons. These people are to be responsible for the custody of the offerings until the offerings have been safely deposited in a bank. These churches need to create a rotational system of these unrelated members to serve in this capacity. This will in a way help gain, as well as maintain the confidentiality of their congregations. Although, the trustworthiness of a person cannot be scientifically investigated, what the churches can do in this instance is to observe these people through their daily interactions with them for a period of time. Through these interactions, they would be able, to some extent, determine whether they are trustworthy or not.

The two unrelated individuals (in both cases) should not be chosen because of their positions as leaders in the society or business world. However, their spiritual maturity should be a keen consideration in their selection. In looking at their spiritual maturity, the churches need to find out about their personal life and witnessing efforts (Church of Pentecost Constitution, 2005). In addition, these churches need to pray for God's guidance in this respect. Such people should be called by God to serve in these important capacities. Church leaders can take clue from Acts 1:15-26 where in finding a replacement for Judas Iscariot, the disciples had to pray for God's guidance.

- Secondly, there must be proper recording, as well as accurate keeping records of offerings received on each church service day/period. Thirdly, adequate measures must be put in place in preparing disbursement cheques. Moreover, specific individuals must be assigned the responsibility of signing cheques.
- Also, frequent reconciling bank statements related to offerings must be instituted so that there is no vacuum created for people to take undue advantage to siphon/pilfer church offerings. Again there is the need for the churches to have a purchase order⁶⁰ that should be used to control church purchases and advanced payments to ensure transparency.
- There is the need to establish a committee, which should be made up of pastors, deacons, deaconesses, church elders, as well as ordinary members of the church to assist church authorities to occasionally review the church's operating systems for effectiveness, efficiency, and compliance with the mission and vision of the church.
- While daily offering management is delegated to certain individuals and committees, these individuals and committees should be accountable not only to those who appointed them, but to their congregations at large. These churches should never delegate total responsibility to these individuals and committees. It has been said that power corrupts and absolute power corrupts absolutely (Lord Acton). In fact, everyone needs greater accountability in financial management.
-
- Again, there is the need to appoint qualified accounts clerks who will be full-time employees of these churches, provided these churches have the financial capacity to do so. For an effective management of offerings to take place, there is the need for these churches to provide adequate office spaces and the necessary remuneration to enable the accounts clerks execute their responsibilities effectively and efficiently.

⁵⁹ The probability of people of the same age conniving to pilfer the Church's offering is greater than people of different ages. For instance, a forty-eight year old person will find it somehow difficult to connive with a person who is in the age bracket with his/her son/daughter.

⁶⁰ Purchase order refers to a commercial document that is given by a buyer to a seller indicating the type (s), quantity (ies) of product(s) needed by the buyer, and the agreed price(s) for the product(s) or service (s) the seller will provide to the buyer.

- Furthermore, there is the need for all stakeholders in the offering sector in churches 1, 2 and 3 to see themselves as a team. Whatever role that is assigned to each individual in a team should be effectively played by taking into consideration the aim(s) of the team.
- Finally, measures for reward systems must be instituted to motivate those whose conduct regard the management of church offerings is above board. Similarly, adequate penalty measures must be outlined in dealing with those who mismanage church offerings. These include reprimands, queries, suspension, ex-communication, as well as criminal prosecution. Indeed, since stealing is condemned by the Bible, such penal measures will not contravene Christian principles.

The formulation and adoption of these measures are just partial solutions to the problem in the sense that these measures need to be implemented to the letter. Most often, institutions come out with measures to curb potential or existing challenge(s), but in the end the measures themselves become a headache, because of the lack of willingness on the part of some of the authorities concerned to implement such measures. The willingness in this instance determines whether the implementation of the measures would be successful or not. For instance, whether or not the church leaders will be willing and able to take action against a relation who has embezzled their offerings would depend on their willingness. The leaders must use their authority to make sure that these measures are implemented to help minimize, if possible, eliminate this canker. The drawing and implementation of these and any other feasible measures would become a mirage if the leadership refuses to apply their authority appropriately.

5. Conclusion

This paper looked at the issue of management of funds generated from offerings in three selected classical Churches in the Ashanti Region of Ghana. It came out that despite some routine procedures that have been put in place by the leadership of these churches in order to help curb, if possible, eliminate the embezzlement of their offerings by the accounts clerks for instance, the problem still exists due to certain challenges. This paper opines that if these selected churches in particular, and churches in Ghana in general adopt and implement the suggestions/recommendations listed above, this canker could be curbed, if not completely eliminated, and sanity would prevail in the management of funds generated from church offerings in these churches.

References

- Assemblies of God Church (1989). *The constitution of the assemblies of God church, Ghana*. Accra: AGLC.
- Christ Apostolic Church Int. (1989). *The constitution of the Christ apostolic church International*. Accra: Christ Apostolic Press.
- Church of Pentecost (2005). *The constitution of the Church of Pentecost*. Accra: Pentecost Press.
- Dobler, D. W. & Burt, D. N. (1996). *Purchasing and supply management, text and cases (Sixth Ed.)*. Singapore: McGraw-Hill. P.70. {Online} Available: http://en.wikipedia.org/wiki/Purchase_order (August 10, 2011)
- Henrickson, K. P. (n. d.). Financial management in the church. {Online} Available: www.enrichmentjournal.ag.org/htm (August 09, 2011)
- Idialu, U. J. (2005). Towards an effective financial management in Nigerian Churches. In *Nigeria Journal of Christian Studies*, Vol. 1; (pp. 60-68).
- John, P. J. (n. d.). Managing the church's financial resources. {Online} Available: <http://www.enrichmentjournal.ag.org/htm> (August 09, 2011)
- Keith, H. (n. d.). The golden rules of church finance management. {Online} Available: <http://www.lifeway Christian resources/htm> (August 25, 2011)
- Labov, W. (1996). *The social stratification of English in New York City*. Washington DC: Center for Applied Linguistics.
- Larbi, E. K. (2001). *Pentecostalism: The eddies of Ghanaian Christianity*. (ASAPC Series), Accra: CPCS.
- Lipset, S. M. & Lenz, S. G. (2000). Corruption, culture and markets. In *Culture matters*, Lawrence E. Harrison & Samuel P. Huntington (eds.): New York: Basic Books.
- Sen, A. (1999). *Development as freedom*. New York: Anchor Books.
- Schnelder, W. A. (1989). Financial management in church operations. {Online} Available:

[http://www. CPA Journal Online](http://www.CPAJournalOnline.com). (August 25, 2011)
'The Statesman' (n.d). "Winners Chapel Ghana Swindled; Accountant 'Steals' GHC 2 Million offering, submits Doctored (sic) Accounts to Statesman': Police Unconcern"? (Sic). {Online} Available: [http://www. Statesmanonline](http://www.Statesmanonline.com). (September 5, 2011)
Velez, S. (n. d.). What is motivation? {Online} Available: <http://www.ezinearticles.com>. (August 10, 2011)
Wikipedia. (n. d.). Purchase order. {Online} Available: <http://www.Wikipedia.org>. (August 10, 2011)

List of Interviewees

Interviewees

Face-to-face interview with the Senior Pastors of the selected churches:

Rev. Boafo, a senior Pastor of Church 3. Interview conducted on August 20, 2011 and in the hall of the mission house at the church premises at Agona-Ashanti, Ashanti Region.

Pastor Kyei, a senior Pastor of church 2. Interview conducted on August 23, 2011 and in the hall of the mission house at old Tafo, Ashanti Region.

Rev. Yiadom, a Senior Pastor of Church 1. Interview conducted on August 22, 2011 at the office of the minister of God within the church premise.

About the Author

Iddrissu Shaibu Adam was born in the Ashanti region of Ghana. He attended Riis Memorial Preparatory school in Accra, after which he sat for both the O'Level and A'Level GCE as private candidate. He obtained his first and second degrees with the University of Cape Coast, Ghana. He is currently doubling as an assistant lecturer and a PhD student with the department of religion and human values, University of Cape Coast. Shaibu is into Church History and his areas of interest are the Early Church, North African Church and Pentecostal and Charismatic studies.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

CALL FOR PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

