HOW TO INSPIRE THE CONSTITUENCY WITH FINANCIAL CONFIDENCE

DEFINITION AND SCOPE OF PRESENTATION

Financial Confidence – organizational preparedness to effectively manage its present and future financial resources.

Organizational Financial Viability – achieved when financial professionals inspire the constituency with financial confidence.

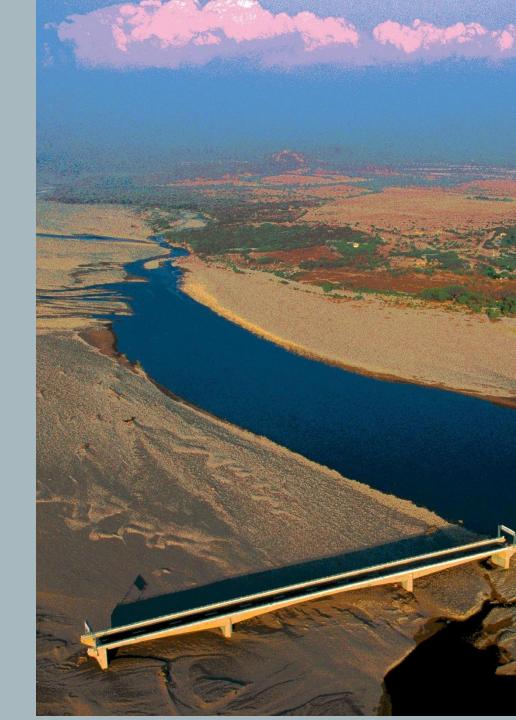
To following seminar essentials facilitate achieving these goals:

- The goal of organizational financing
- Strength and security of the organizations' financial system and structure
- Income and expenditure processes
- Investment procedures
- Checks and balances with organizational funds, including in fundraising
- Accountability and reporting systems, including in donations



CHOLUTECA RIVER BRIDGE, HONDURAS

- Built in the 1930's by the US Army Corps of Engineers
- 1998, Mitch a Category 5
 Hurricane
- Many roads and over 150 bridges were destroyed
- Choluteca's River bridge stood strong
- Builders bragged about their engineering prowess



SOMETHING WRONG WITH THIS PICTURE

- Mitch couldn't move the bridge structure. So it took the river instead
- Structure is totally useless
- Completely Irrelevant
- The bridge goes nowhere now



COULD THE ORGANIZATION ENDS UP LIKE THIS?

- The bridge is the organization, the structure
- The river is the purpose, mission, trust and confidence
- Pay attention to your river; It may be a slow process, but it's moving





INSPIRING CONFIDENCE: HOW DOES IT HAPPEN?

LET'S EVALUATE

- Do you practice Generally Accepted Accounting Principles?(GAAP)
- Does your organization own and use reliable Accounting Software for all your treasury and human resources needs?
- Do you provide financial report in a timely manner and encourage members to ask questions about reports?



LET'S EVALUATE



- Does your finance or executive committee authorize all bank and investment accounts?
- Are Financial Reviews performed on a regular basis?
- Are adequate internal control procedures in place to prevent possible losses?
- Does the leadership of your organization promote and practice an "Open Door Policy"?

THE GOAL OF ORGANIZATIONAL FINANCING

- To support the Mission
- To maximizing Resources
- To establish a culture of leadership accountability
- To build a trusting relationship
- To facilitate sustainable, cost-effective and productive operation
- To create new ministries

SERVING THE REAL CUSTOMER, OUR MEMBERS



A new level of service is required.



This service will need to be spiritual and exhibit a renew level of nurturing.



Members demand a clear vision of the organization and what is accomplished by all funds.



Expectation of higher standard of accountability at leadership level first.

WHY STRENGTHEN AND SECURE THE ORGANIZATIONS' FINANCIAL SYSTEM?



Commitment to Workers/Families



Commitment to Higher Organization



Commitment to Institutions



Responsibility to Business
Community



Compliance with State and Federal Laws



The Up-keeping of Conference owned Properties



Financing the Local Mission of the Church



Safe Investment Practices

INVESTMENT BEST PRACTICES



FUNDS SHOULD BE MISSION-DRIVEN



DIVERSITY OF INSTRUMENTS



BASED ON OPERATING CASH FLOW



MODERATE-CONSERVATIVE LEVELS



MONEY MARKET PROVISION



RESTRICTED FUNDS RULES

Develop adequate perspective about money

Develop and maintain a budget

Anticipate sources of _____income

Secure commitment to support the budget

Supervise cash flow

Keep adequate accounting and auditing procedures.

Report appropriately to committees

INCOME AND EXPENDITURE PROCESSES

TIDWELL, C. A. (1985)

BUILDING CONFIDENCE THROUGH FINANCIAL REVIEW

- Enhances understanding on organizational financial policies and their practical applications
- Increases management effectiveness in fulfilling strategic issues
- Develops accuracy in management's decision-making process
- Instills appreciation and trust on the constituent members towards the board and leadership

The only sustainable competitive advantage a company has is its reputation.

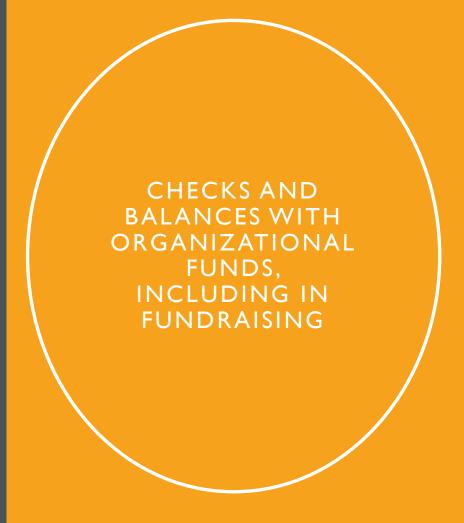
(Madison Avenue PR Executive.)





- Who is eligible to receive donations, that supplement tithe and offerings?
- What sources might there be for donations? Who could be donors?
- How do you present a case for raising funds?
- What are the six major points of fundraising?

- Accountability is a twoway street: Leaders hold others accountable, and are accountable to others.
- Being accountable to fellow believers is an important check and balance against moral lapse. Hayford, J.W. (Ed.). (1997)
- Accountability breeds response-ability. Stephen Covey
- A leader may delegate responsibility, but he/she can't delegate accountability.



TRANSPARENCY AND ACCOUNTABILITY IN FUNDRAISING

- Trust issues with nonprofits
- Practices that negate trust
- Examples of counterproductive practices that inhibit trust and generosity
- Ethical violations
- Great demand for transparency
- Types of reports
- Delivery and frequency of reports

TRANSPARENCY AS AN ABSOLUTE, MUST BE IN OUR CHURCH.

(BOB LEMON, RETIRED GC TREASURER)

- Inclusion of the fundraiser
- Support from top administration
- Fundraising part of organizational plan
- Working closely with public relations, marketing, constituent outreach
- Regular information-sharing internally
- Involving colleagues
- Creating an active board and development committee

INTERNAL PRACTICES THAT SUPPORT FUNDRAISING

NON FINANCIAL PRACTICES INSPIRE CONFIDENCE

- Love people genuinely
- Respect time
- Keep promises (personal and institutional)
- Communicate effectively (speaking and listening)
- Be normal and Honest
- Practice Transparency in all transactions
- Build your constituency' access to leadership



REMEMBER THE CHOLUTECA RIVER!

- The journey is as important as the destination!!!
- Leaders don't get to chose their own crisis.
- Build trust, practice accountability and eliminate bureaucracy



AS A RESULT...

Your members will enjoy building the kingdom, when they know it is both worthy and effective.





QUESTIONS AND ANSWERS!

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THANK YOU ALL!