FINANCIAL LITERACY AND ACCOUNTABILITY WITHIN

BLACK BAPTIST CHURCHES

by

Joanne M. Suttington

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Liberty University

August 2017

Abstract

This study explored the lack of financial literacy and accountability of church leaders within black Baptist Church in fulfilling their financial stewardship responsibilities in overseeing the church's resources. In order for churches to grow both spiritually and financially, the church leaders are critical to the overall success and sustainability of the organization. The conceptual framework for this study was based on the stewardship theory, which implied that church leaders would perform as responsible stewards in managing the church's resources. In this study, the researcher used a qualitative method with a case study design to explore the education and experiences of 12 church leaders in performing their financial responsibilities and to discover their perceptions in fulfilling their financial stewardship responsibilities. Prior research revealed that black church leaders had minimum skills, education, and experience in dealing with the financial operations of the church, and ineffective financial practices and procedures led to fraudulent activities or misappropriation funds. Inconsistent with prior research, this study revealed that church leaders in black Baptist Churches in the Mid-Atlantic Region of the U.S. were educated and appeared capable of implementing proper stewardship over the church's resources.

Key words: accountability, accounting, black church, church leaders, financial literacy, financial operations, financial resources, stewardship

FINANCIAL LITERACY AND ACCOUNTABILITY WITHIN

BLACK BAPTIST CHURCHES

By

Joanne M. Suttington

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Liberty University

August 2017

Dr. Melanie A. Hicks, Dissertation Committee Member

Dr. Gene Sullivan, Dissertation Committee Member

Dr. David Calland, Dissertation Committee Member

Dr. Gene Sullivan, DBA Director

Dr. David Calland, Interim Dean, School of Business

Dedication

I am grateful to my Lord and Savior Jesus Christ for carrying me through this incredible journey, and I give Him all glory and honor for the great things that He is doing in my life. I dedicate my dissertation to my mother, Judy Brockman, who made many sacrifices of her personal enjoyment to ensure that all seven of her children were provided the necessary opportunities to reach higher heights with a strong foundation in Jesus Christ. I always believed that God blessed me with the greatest mother in the world. So, thank you mom for the many sacrifices that you made for me. A special thanks to my daughter, Shanna Suttington, who was very instrumental in proofreading many of my assignments throughout the doctoral program. I also dedicate this research project to my husband, George Suttington, and my son, Sean Suttington, for their constant support and encouragement in inspiring me to pursue my goals in life. To God be the glory for the good things that He is doing.

Acknowledgments

I first acknowledge Liberty University for providing me the opportunity to receive both a secular and a biblical education for the cost of one education. I was greatly enriched in my Christian walk in understanding how God would want me to apply my skills and expertise for the building of His kingdom. A special thanks to Drs. Hicks, Dr. Sullivan, Dr. Calland, and the other faculty members at Liberty University for their dedication and commitment in making Champions for Christ. In addition, I extend my appreciation to my fellow colleagues in Cohort 3. The members were very supportive of each other throughout this program. I also acknowledged two special friends who helped me through this venture, Francine Lyken and Marcus Hayles. As I journeyed through this program, I appreciated the support from my colleagues at work for their constant encouragement and belief in me. In addition, I acknowledge my church family for providing me additional support in understanding my purpose in using this research project to advance the kingdom of God. I am grateful to Pastor Smith, Dr. Graves, Pauline Young, Brenda Collins, and FBCM Trustees for their support, advice, and words of encouragement that reminded me to push forward towards my goals when the challenges were tough. Finally, I appreciated my family and friends for allowing me to express the challenges and the joys of the doctoral journey.

Table of Contents

Section 1: Foundation of the Study

Nonprofit entities such as churches required financial resources to perform their daily operations and to pursue their mission objectives (Brotherhood, 2015b). To meet their strategic goals and to implement effective ministries, churches should implement good financial management practices (Liberty, 2014). Nevertheless, some churches failed to develop financial budgets, to retain financial records, or to produce financial reports (Griffin, 2015). The lack of financial accountability could promote misappropriation of financial resources, failure to fulfill organizational missions, and potential legal liabilities (Lockett, 2014).

Background of the Problem

Nonprofit organizations are primarily formed for the purpose of serving the public interests without the expectation of earning a profit for the shareholders or owners like for-profit entities (Ekhomu, 2015). Churches are one of the most popular nonprofit entities that exist in America (Griffin, 2015). In religious organizations, church leaders have significant opportunities to teach and promote accountability of financial resources in their daily management of the church’s accounting operations (Griffin, 2015). The major sources of revenue for churches include funding through membership contributions, charitable philanthropists, and public giving (Barnes, 2013; Ekhomu, 2015). In 2014, taxpayers contributed over $104 billion in contributions to American churches, which represented the largest contributions to any charitable type organizations in America (Elson & Tarpley, 2015). In spite of these significant contributions, some churches have inadequate accounting processes and operations to manage these funds efficiently or effectively (Ekhomu, 2015).

To measure performance and maintain financial integrity, churches should prepare standard financial reports such as balance sheets, earning and loss statements, and financial ratios

(Ekhomu, 2015). Establishing sound financial management practices could promote opportunities for churches to focus on advancing their ministries and achieving their missions (Brotherhood, 2015b). With strong strategic management in financial resources, churches would be able to sustain its existence (Ekhomu, 2015).

Problem Statement

The problem to be addressed was the lack of financial literacy and accountability of the financial managers, church leaders, and pastors in black Baptist churches in the Mid-Atlantic region of the United States (U.S.). Without adequate financial literacy and accountability, the overall sustainability of the religious institution may be at risk, which may cause the church to neglect to fulfill its missions (Brotherhood, 2015b). Lockett (2014) noted the lack of effective financial management practices in churches could lead to fraudulent activities such as misappropriation of funds and unethical practices of senior church leaders. Griffin (2015) expressed that many churches lack adequate accounting practices and procedures to support financial accountability. According to Ekhomu (2015), most churches appointed financial managers who have little experience or knowledge in dealing with the financial operations. Churches with inadequate financial structure subjected their operations to Internal Revenue Service (IRS) audits and public humility (Ekhomu, 2015). Negative publicity could cause parishioners to reduce or eliminate their contributions to the church and limit their support in volunteering to advance the missions of the church (Ekhomu, 2015).

Purpose Statement

The purpose of this qualitative case study was to explore the lack of financial literacy and accountability of the financial managers, church leaders, and pastors in black Baptist churches in the Mid-Atlantic region of the U.S. In addition, this case study included the exploration of church leader's perceptions of the responsibilities of the financial stewardship of the church. Effective financial operations can assist churches in fulfilling their missions, avoiding legal liabilities, and eliminating misappropriation of financial resources (Ekhomu, 2015). In religious organizations, the financial managers, church leaders, and pastors are critical to the overall success for its financial operations (Ekhomu, 2015). With over 320,000 religious organizations in the U.S., churches embodied people of different ethnicity and diversity (Lockett, 2014). Therefore, the scope of this research was limited to churches, which black Americans represented the majority of the membership. In addition, the focus of this study was to explore the lack of financial literacy and accountability of the black Baptist churches in the Mid-Atlantic region of the U.S. to determine the impact of accounting responsibilities on the sustainability of the church.

Nature of Study

The nature of this qualitative case study was to explore the lack of financial literacy and accountability of church officials in fulfilling the church’s missions and protecting the church’s resources. Researchers can use case studies to analyze or evaluate programs (Creswell, 2016). Yin (2014) noted a case study is an effective research method to investigate a contemporary phenomenon in its real-world content. Exploring the financial literacy and accountability of black church officials is an appropriate contemporary phenomenon. In addition, Yin (2014) expressed a case study is used to contribute to knowledge of the phenomenon of individuals, group, or organizations. The researcher contributed to knowledge surrounding the financial skills, knowledge, and abilities of black church leaders through using a case study research. Qualitative researchers often engaged in interviews and personal observations as a preference for gathering data and information (Stake, 2010; Yin, 2014). As primary sources of evidence, researchers conducted interviews to gather information and data (Turabian, 2013; Yin, 2014). The researchers should use reliable methods to elicit and record the collection of information and data (Turabian, 2013). Therefore, the researcher interviewed financial managers, church leaders, and pastors of black Baptist churches in the Mid-Atlantic region of the U.S. to gather data and information to explore financial accountabilities and literacies of church leaders in protecting the church's resources.

Stake (2010) expressed that quantitative researchers rely heavily on linear attributes, measurements, and statistical analysis. Through design or statistical analysis, quantitative methods provided measurements of objective information (Creswell, 2014). In the qualitative method, the researcher sought to explore a concept or phenomenon (Creswell, 2014). The researcher decided not to use a quantitative research method, because the researcher desired to explore an in-depth perspective of church leader's views in managing the financial operations of the church. In a quantitative design, the researcher would establish the hypotheses and generate a closed-ended questionnaire. Yin (2014) noted the interview process in a case study is one of the most important sources of evidence. The researcher should use open-ended questions to guide the interview process in a friendly and nonthreatening manner to obtain the necessary evidence to support the results of the case study (Yin, 2014). Using open-ended questions through the interview process, the researcher gained the relevant information to explore the financial accountabilities and literacies of church leaders in securing the financial resources of the church. Therefore, the researcher did not use the quantitative research design due to limited information generated from a closed-ended questionnaire.

Researchers have five types of qualitative designs to select for analyzing their research problems (Creswell, 2016). These five qualitative designs are narrative study, phenomenology, case study, grounded theory, and ethnography (Creswell, 2016). The narrative design was not appropriate for this research study, because the narrative design focused on a single individual or up to three individuals. The ethnography study focused on developing a portrait of a culture-sharing group (Creswell, 2016). Since the primary problem related to stewardship in accounting, the culture played only a small role in this problem. Therefore, the ethnography study was not appropriate for the research problem. The phenomenology study sought to explore a phenomenon, in which the researcher explored the lived experiences of individuals relating to a specific phenomenon (Creswell, 2014). The research problem did not relate to phenomenological research, because the focus was regarding black Baptist churches versus the experiences of individuals with a specific phenomenon. In grounded theory, the research was intended to lead to the development of a theory (Creswell, 2016). The researcher was not aiming to develop theory, because the theory of accounting stewardship already exists. Since the researcher was seeking to explore findings and results across several churches, the case-study design was the most effective design for this research problem.

Yin (2014) emphasized the researcher should understand the strengths and limitations of a case study research. In reviewing other research designs and understanding the strengths and limitations of a case study, the researcher concluded a case study would be the preferred method to perform this research study. In using a case study, the researcher must establish sound methods to collect, present, and analyze data in a fair and equitable manner (Yin, 2014). The qualitative case study methodology allowed researchers to explore a central phenomenon or topic (Creswell, 2016; Yin, 2014). In this study research, the researcher used a case study design to explore the lack of financial literacy and accountability in black Baptist churches in the Mid-Atlantic region of the U.S.

Research Questions

The researcher interviewed financial managers, church leaders, and pastors. Prior researchers noted that financial managers, church leaders, and pastors have considerable responsibilities in overseeing the financial resources of the church (Ekhomu, 2015; Griffin, 2015; Lockett, 2014). Serving in influential positions in churches, these members should be able to provide information regarding organizational structure, financial records, policies, and procedures (Griffin, 2015). This research study incorporated a field study to establish the content validity of the survey and to improve questions, format, or scales. (Creswell, 2014). The central questions of this research addressed the following: What skills and experience have church leaders acquired to be financially literate and accountable? What are the perceptions of the church leaders regarding their financial stewardship?

Conceptual Framework

In a qualitative study, the conceptual framework serves as an anchor for the study and demonstrates the ideas from the literature that grounds the research (Baxter & Jack, 2008). The specific concept supporting this research is the stewardship theory, which implied that managers acting independently would indeed perform as responsible stewards of the assets they control, and with good information, managers will employ sound judgement in making decisions on the use of those resources (Abdel-Khalik, 2010). The steward would strive to protect and maximize stakeholders' resources through the entity’s performance (Davis, Schoorman, & Donaldson, 1997). For nonprofit organizations such as churches, the stewardship-based approach undertook the theory that leaders of organizations were inspired to act in the best interests of the contributors (Puyvelde, Caers, Du Bois, & Jegers, 2012). The stewardship theory incorporated responsibility and reporting as critical elements in achieving success (Puyvelde et al., 2012).

Responsibility implied that church leaders would behave in a socially responsible manner in deciding how to use donations or by communicating to the members which projects their donations would fund (Puyvelde et al., 2012). Therefore, church members would feel confident their contributions will be used wisely. Reporting included the organizations informing members about how they have used their contributions by providing them with accurate financial information (Puyvelde et al., 2012).

The theory of stewardship incorporated decisions for making choices about the accounting transactions, hiring qualified and honest employees, enacting disciplinary penalties for dishonest employees, and awarding good performance (Abdel-Khalik, 2010). The principal objective of accounting is to provide financial information about the financial matters of an organization to stakeholders for use in making decisions (Abdel-Khalik, 2010). The American Institute of Certified Public Accountants (AICPA) specified the following primary purposes for financial statements of not-for-profit entities: (a) to provide relevant financial information to meet the common interests of members, donors, creditors, and others who provide resources to not-for-profit entities; (b) to assess the not-for-profit operations and its ability to continue to provide services; and (c) to assess the effectiveness of its leaders in discharging their stewardship responsibilities over the financial resources (FASB, 2016b). Essentially, financial statements revealed the results of the stewardship of management in using the resources entrusted to them (Abdel-Khalik, 2010).

In today's evolving society, accounting integrated the concept of strategic stewardship and accountability, which incorporated the greater requirements of society for both individuals and organizations (Murphy & O'Connell, 2016). Accountability involved sharing information about the financial processes and the destination of contributions in the local churches (Griffin, 2015). The sustainability of local churches included good stewardship over financial matters. Financial literacy and accountability led to good stewardship, which would promote the building of relationships with donors and members in the local churches (Griffin, 2015).

Financial literacy described persons having the knowledge, skills, and abilities to effectively manage financial resources for their financial security (Geddes & Steen, 2016). Church leaders who are financially literate would protect the resources and assets with fraud prevention plan to include implementing appropriate accounting and internal controls (Ekhomu, 2015; Peters, 2015). Developing policies and procedures could lead to strong accounting and internal controls to safeguard its resources and assets (Tysiac, 2013a). Strong accounting and internal controls are critical to the financial operations and help to reduce the risk of fraud, mismanagement and abuse (Peters, 2015).

Fulfilling an objective for financial stewardship, organizations should present complete and accurate financial reports on a routine basis (Griffin, 2015). Leaders should ensure accounting reports are prepared in accordance with generally accepted accounting principles (Enofe & Amaria, 2011). In the financial environment, recording and reporting of accounting data dependon the complex networks of stewardship and accountability in the financial environment (Hiebl, 2015).

The success of an organization relied on the leaders to make sound financial decisions and to promote good stewardship (Lockett, 2014). Financial managers, church leaders, and pastors in local churches should exhibit the characteristics of good stewardship (Lockett, 2014). With good stewardship, church leaders served in trustworthy roles, which included having the skills and abilities to perform their duties and responsibilities in an effective and efficient manner (Lockett, 2014). As a best practice, church leaders should learn to analyze and understand financial data, budgets, financial reports, and statistics (Lockett, 2014). Understanding financial information increased the financial literacy of church leaders, which would enhance their ability to comprehend the financial stability of the church (Lockett, 2014). Through interviewing, observing, and researching, the researcher explored the financial literacy and accountability of church leaders in relationship to the ability to exemplify good stewardship over the assets of the church and to strategically use resources for the building of ministries.

Definition of Terms

Black church: The black church originated during the slavery era in America, and developed into a black religious culture during the late 19th and early 20th centuries (Lockett, 2014). The black church comprised of the religious organizations, which the majority of the members are predominantly black. The black Baptist church is one of several black churches in America.

Church leaders: The persons or members who are responsible for the church operations, which include the pastor, financial managers, finance members, treasurer, and other church officers (Lockett, 2014).

501(c)(3): The section of the Internal Revenue Code issued by the federal government to define a nonprofit entity as one that does not make a profit, and one that provides goods and services to the public (Internal, 2016).

Financial accountability: The accounting policies and procedures issued to promote good record storing, implementation of annual audits, and dissemination of financial information to members (Griffin, 2015).

Financial literacy: The knowledge, skills, and experiences necessary to make sound financial decisions in managing the financial resources effectively to preserve the financial well-being of the entity (Knoll & Houts, 2012).

Financial managers: The persons responsible for providing financial reports and processing accounting transactions. These persons may or may not be considered a church leader, and they may be paid workers or volunteer (Ekhomu, 2015).

Pastor: The person who is considered the lead officer in the church who has overall responsibility for the success of the church (Peters, 2015).

Assumptions, Limitations, and Delimitations

This section included an overview of the assumptions, limitations, and delimitations relating to this study. Identifying these areas in the research study would help the reader to understand the relationship of the study to its findings (Creswell, 2016; Simon, 2011). The following information provided a broad discussion of the assumptions, limitations, and delimitations relating to this research.

Assumptions

In qualitative research, researchers accepted certain assumptions as valid when writing their dissertations (Simon, 2011). Therefore, readers of the dissertation would assume that certain aspects of the dissertation are true given the population, statistical test, research design, or other delimitations (Simon, 2011). Generally, the common assumptions included participants responding to surveys or questionnaires in an honest and truthful manner (Simon, 2011). For this research, the assumption was that all interviewees will freely provide relevant information with openness and integrity. To mitigate this risk, the researcher provided assurance to the participants of the nature and confidentiality of the study. Another assumption existed that the researcher conducted the study free from bias or personal beliefs. To mitigate this risk, the researcher took care in avoiding any leading questions, and focused on those questions that would support necessary and useful information.

Limitations

In writing a dissertation for a qualitative research using interviews as the data collection type, the researcher recognized the study may contain inherent flaws due to restrictions such as researcher's bias, accessing participants, and selecting survey instruments (Creswell, 2016). This study focused on black Baptist churches and limited its findings to this population. The study cannot be used to generalize information regarding churches of other races, denominations, or demographics. Readers of this research should not project the findings beyond the scope of the black Baptist churches in the Mid-Atlantic region of the U.S. However, the study may provide rich and valid experiences of reality for black churches, particularly in the Mid-Atlantic region of the U.S.

Delimitations

In performing research, researchers set boundaries to control the scope of the research, which is known as delimitation (Simons, 2011). These delimitations included objectives, research questions, variables, theoretical objectives, and targeted population (Simons, 2011). To narrow the scope of this research, the study was limited to the geographic target population of church leaders in several black Baptist churches in the Mid-Atlantic region of the U.S. The researcher selected five churches in the Mid-Atlantic region of the U.S. to perform a case study as a qualitative research method and interviewed church leaders until saturation occurred. The target population included pastors, church leaders, and financial managers of religious organizations in the Mid-Atlantic region of the U.S. In selecting this targeted population, the researcher desired to provide valuable information in aiding black Baptist leaders to appreciate the usefulness of financial data.

In addition to narrowing the scope to black Baptist churches in the Mid-Atlantic region of the U.S., the researcher limited the focus of this study to the financial aspect of stewardship responsibilities of church leaders. Other aspects of stewardship may focus on church member's commitment to spiritual stewardship such as tithing to the church, ministering to the unsaved, and caring for others. These other aspects of stewardship were eliminated for the purpose of this study. The researcher purposefully limited the scope of this study to focus on the church leader's responsibilities of financial stewardship.

Significance of Study

This case study revealed the impact financial literacy and accountability may have on the church leader's ability to implement effective accounting and internal controls in managing the financial resources in black churches in the Mid-Atlantic region of the U.S. Griffin (2015) studied the financial literacies of black Baptist churches in Louisiana, and focused on transparency and accountability of the church to its stakeholders. Since Griffin's (2015) research was focused on transparency and accountability and was limited to Louisiana, this research expanded the scope of Griffin's research to study the financial literacy and accountability in black churches in the Mid-Atlantic region of the U.S. This research focused on an additional aspect of financial stewardship with the black Baptist churches to include financial literacy as well as financial accountability. In exploring the financial literacy and accountability of church leaders in overseeing financial matters, the researcher discovered information that may aid black churches in securing its resources and assets to advance its missions and ministries.

Reduction of Gaps

The study of this applied doctoral research project aided in filling a gap in the current body of literature regarding the financial literacy and accountability in the black Baptist churches. Over the decades, researchers constructed studies relating to charitable-giving in non-profit entities as well as churches (Iannaccone, Olson, & Stark, 1995; Crawley, 2014). Other researchers focused on financial accountability or financial transparency within the black Baptist churches (Griffin, 2015; Lockett, 2014; Ekhomu, 2015). In this research, the researcher added to the existing literature to expand the scope by exploring the impact of the lack of financial literacy and accountability in the black Baptist churches in the Mid-Atlantic region of the U.S.

Implications for Biblical Integration

I Peter 4:10 (ESV) states, "As each has received a gift, use it to serve one another, as good stewards of God's varied grace." Church leaders have been gifted by God to carry out the operations of the church ministries. In demonstrating good stewardship in managing these resources, church leaders should initiate processes to secure the church's resources and to provide financial reports to its members (Crawford, 2013). Psalm 24:1 states, "The Earth is the Lord's and the fullness thereof; the world, and they that dwell therein." As faithful stewards of God, Christian leaders should seek to protect and reserve God's creation (Moody & Achenbaum, 2014). The Bible emphasizes that an overseer is a trustworthy person who manages his household successfully, and oversees the operations of God's house in an effective manner (1 Timothy 3:1-17). Christian leaders should be mindful of doing the will of God in performing their duties and responsibilities for the advancement of God's Kingdom (Devries, 2016).

Relationship to Field of Study

Historically, accounting can be connected to the concept of stewardship and accountability (Murphy & O'Connell, 2016). Initially, stewardship was on the safeguarding and reporting of assets to the owner, and the balance sheet was the primary focus of financial information for the owner (Murphy & O'Connell, 2016). Eventually, owners required the need for performance reporting, which led to the generation of the income statement (Murphy & O'Connell, 2016). In today's emerging economy, accounting has evolved to embrace the concept of strategic stewardship and accountability, which encompassed the broader needs of society as well as of individuals and organizations (Murphy & O'Connell, 2016).

The accounting profession in the American economy provides a broad range of services to the American public, for-profit entities, and nonprofit entities including religious institutions (Whittington & Pany, 2012). For churches, these services may include, but are not limited, to financial statement audits, compilation reports, tax preparations, investment advice, and accounting consultations (Enofe & Amaria, 2011). As experts in various financial areas, the accountants can use their expertise to improve the overall financial operations of the church. Nevertheless, some churches do not employ the services of accountants nor do they have qualified staff to oversee the financial operations of the church (Enofe & Amaria, 2011). Except for the IRS, there are no regulatory bodies that require churches to disclose financial activities (Ruhl & Smith, 2012). FASB (2016a) stipulates that main purpose of financial statements is to report relevant information to donors, members, creditors, and others who provide resources to the nonprofit entities. The inability of churches to communicate accurate financial information to its stakeholders could lead to ineffective operations and misuse of funding to support ministries (Griffin, 2015). As volunteers, contractors, or employees, accountants should be knowledgeable regarding the risks associated with churches and be prepared to offer services to help churches sustain its missions and to embrace strategic stewardship and accountability.

A Review of the Professional and Academic Literature

The purpose of the literature review is to analyze the existing literature regarding the accounting stewardship in black churches. The section included information about religious institutions, a brief history of black churches, and responsibilities of the church leaders in managing church resources. In addition, the literature review included information regarding fraudulent activities and internal controls including policies and procedures to implement effective accounting and internal controls. The literature review explored consequences of improper accounting stewardship that could lead to misappropriation of funds, revocation of tax exempt status, and failure to maintain solvency. Ultimately, the literature review included information relating to the theoretical framework of stewardship, the accounting aspect of stewardship, and the biblical perspective of stewardship. The inclusion of each of these areas in the literature review were explored for connection with the relevance of the proposed research, as well as exploring the significance of the black church as part of the American society.

The methodology used to gather information for the literature review included exploring several databases and many potential subject areas to provide information on the proposed research topic. In the generation of the literature review, databases and resources used included Baptist Training Union Series, Boston Black Software, church community builder, FASB Accounting Standards, Google, Google Scholar, Internal Revenue Service, Jerry Falwell Library, New Testament Excerpts, Old Testament Excerpts, Paethos Library, ProQuest, ProQuest Dissertations and Theses, Reference Database, and Wiley. For the literature review, the key word search or groupings of words encompassed, but not limited, to the following terms:

accounting in black churches, accounting in churches, accounting responsibilities in churches, accountability in black churches, accountability in churches, Baptist churches, black Americans, black Baptist church, black church, black church leaders, blacks, Christian leadership, Christian stewardship, congregations, congregates, contributions, churches, church fraud, church leader's accountability, church leader's responsibilities, church leader's stewardship, church leadership, church members, donations, faith-based organizations, fiduciary responsibilities, fiduciary responsibilities in churches, financial, financial illiteracy, financial integrity, financial literacy, financial literacy in churches, financial management practices, financial management practices in churches, financial managers, financial records, financial resources, financial statements, financial stewardship, 501(c)3, Form 990, fraudulent activities, Hiscox, history of black churches, internal controls, Internal Revenue Services, IRS audits, IRS investigations of nonprofit entities, leaderships, legal liabilities, mismanagement, misappropriation of funds, nonprofit financial performances, offerings, pastors, pastors in Black churches, religious institutes, religious leaders, steward leadership, stewardship, stewardship theory, trusting relationships, UBI, and unrelated business income for churches. The literature review revealed relevant information regarding the financial literacy and accountability in the black Baptist churches.

This chapter covered the primary topics that were discovered within the literature relating to the research topic. In particular, this chapter described additional details regarding faith-based organizations, religious institutions, black churches, financial literacy, church leadership, accounting stewardship in the church, tax exemptions for churches, fraudulent activities, accounting and internal controls, an analysis of the theory that established the framework for the case study, the theory connection to accounting, and the biblical aspect of the theory. Finally, a summary of the information from the chapter is included.

Faith-Based Organizations

Fritz (2014) explored the definition of a faith-based organization, which has not been legally defined as a term. The definition of faith-based organizations included religious entities and other charitable institutions affiliated or identified with one or more religious groups (Fritz, 2014). The Corporation for National and Community Service defined the following as faith-based: a religious institution (church, mosque, synagogue, or temple); a religiously sponsored organization, program, or project; and a not-for-profit organization founded by a religious congregation (Fritz, 2014). The faith-based organizations often incorporated theological, cultural, and social aspects to support missions and ministries (Schneider, 2012). Religious communities and their members established faith-based organizations to support community demands in the context of faith and charity of their specific beliefs (Schneider, 2012).

The Religious Institution

In the United States, there existed approximately 350,000 religious institutions (Harris & Roland, 2014). Approximately 314,000 of the 350,000 religious institutions are considered communities of the Christian faith that met together on a weekly basis to conduct worship services in a building known as the church (Harris & Roland, 2014). Hicks (2012) noted the term church may have several definitions. The early Christians were unable to meet publicly due to fear of persecution; therefore, they often met in homes (Kinnamon, 2012). As Christianity grew, Christians built places to worship, which is known today as churches (Church, 2011). A church is a religious institution of Christian believers whose primary objectives included worshiping God and fulfilling God’s commandments (Leach, 2012). Most churches normally have a core group of members who gathered at a designated place to worship on Sundays, to engage in activities throughout the week, and to study the Bible (Church, 2011). The organizational structure of the church is comprised of the members within the church who have titles and positions of authority **(**Milligan, 2015). The pastor and church leaders are instrumental in managing the overall operations and are accountable for the stewardship of the church's resources (Leach, 2012).

Within the church's leadership, the pastor served a significant role in planning and organizing others in the church body (Hicks, 2012). Hicks (2012) emphasized that pastors should have sufficient management training to help them oversee the administrative operations of the church.

The Black Church

Black slaves of America spearheaded the development of the black church through their experiences of oppression and deprivation with the need to belong (Crawford, 2013; Barber, 2015). In addition to being a place of worship for black Americans, the black church served as a haven to combat racism and teach black Americans knowledge, skills, and values (Hodges, Rowland, & Isaac-Savage, 2016). The black church provided a framework for blacks to serve God with freedom to express their various forms of worshipping God (Crawford, 2013; Barber, 2015; Hodges et al., 2016). Through the black church, black people instituted and secured a place of power, leadership, and acceptance within their communities (Crawford, 2013; Barber, 2015; Hodges et al., 2016). Blacks served in leadership positions in the black church, which provided a sense of dignity and respect to the black people (Crawford, 2013; Hodges et al., 2016). The pastor and church leaders normally performed independently and have exclusive control over the operations of the church (Crawford, 2013).

Historical significance of the black church. The black church emerged in the 18th century in America with the emphasis of worshipping God and providing social services to improve the lives of black Americans (Barber, 2015; Brice & Hardy, 2015). In 1788, the first black Baptist congregation in North America was established in Savannah, Georgia (Brice & Hardy, 2015; Black, 2016). Through the ministries of the church, several black ministers started the Free African Society to support the livelihood of the freed black people by assisting blacks with education and obtaining jobs (Avent & Cashwell, 2015; Brice & Hardy, 2015; Watson & Stepteau-Watson, 2015). The black church laid the foundation for blacks to have a location of worship, a community of fellowship, and a place of education (Avent & Cashwell, 2015; Barber, 2015). The black church continued to be a beacon in the lives of the black people of the U.S. (Black, 2016).

Role of the black church in America. The black churches in America represented the Protestant churches that have ministered to predominantly black congregations (Black, 2016). Christianity and the relationship with God served as an important contributor to the lives of black Americans (Lowe & Shipp, 2014). The presence of the effective and diverse ministries of the black church played a significant role in the lives of the American people (Lowe & Shipp, 2014). Black Americans established the black church as an institution to deal with the salvation theology and empowerment sociology for black Americans (Chavis, 2012; Watson & Stepteau-Watson, 2015). From freedom of slavery to the Civil Rights Movement in the United States, the black church continued to be the strength of the spirit and soul of black Americans with the essence of what it means to overcome the snares, pains, and difficult realities of black life (Chavis, 2012; Avent & Cashwell, 2015; Watson & Stepteau-Watson, 2015).

Black Americans found the black church as a sanctuary where the joys and passions of blacks' long struggle for freedom, justice, and equality are powerfully expressed and strategically organized (Chavis, 2012; Watson & Stepteau-Watson, 2015). During times of change and challenge, the black church in America transformed, sustained, motivated, and empowered black Americans who affirmed the power of the Christian faith (Chavis, 2012). Fulfilling both the spiritual and secure needs of black Americans, the black church galvanized black Americans to integrate in the American society as productive and honorable citizens (Hodges et al., 2016). In recent years, several black clergy leaders continued this tradition by joining together to help organize and mobilize efforts to address and respond to the issues of income inequality and economic injustice with particular respect to the black American community (Chavis, 2012; Hodges et al., 2016).

Financial Literacy

Financial literacy can be defined as the knowledge and understanding of the financial products and services that are relevant to the issues that people must deal with in their everyday lives (Clark, 2014). Geddes and Steen (2016) explained the definition of financial literacy as persons having the knowledge, skills, and abilities to effectively manage financial resources for their financial security. Bay, Catasus, and Johed (2014) identified several characteristics of financial literacy to include the knowledge, understanding, and skills in managing financial resources to make effective financial decisions to meet current and future financial goals. Financial literacy is more than just understanding accounting and financial information (Bay et al., 2014). Many people lacked a rudimentary knowledge of financial principles and did not understand how to make sound financial decisions (Bay et al., 2014; Clark, 2014; Geddes & Steen, 2016). There is a rapidly growing body of economic research surfacing on financial literacy (Bay et al., 2014; Lusardi & Mitchell, 2014; Geddes & Steen, 2016). Theoretically, financial knowledge can be deemed as a form of investment in human capital, because of the significant implications for the welfare of the people (Lusardi & Mitchell, 2014).

In 2007 and 2008, Americans suffered a major financial crisis, which exposed the inability of millions of Americans to make sound financial decisions in dealing with routine financial elements of their daily environment (Geddes & Steen, 2016). The financial crisis revealed that Americans did not adequately possess the financial knowledge to effectively negotiate mortgage products, purchase insurance policies, manage investment risk, or make crucial financial decisions (Geddes & Steen, 2016). Many people proved to exhibit difficulties in understanding financial activities (Lusardi & Mitchell, 2014). Even dealing with personal activities such as student loans, credit cards, mortgages, pension accounts, and annuities, many people lacked the financial knowledge to handle these types of financial instruments (Lusardi & Mitchell, 2014). Hicks (2012) noted that church leaders such as pastors should acquire the necessary training to understand basic concepts dealing with financial matters.

Financial illiteracy. Barry (2013) acknowledged that most Americans are financially illiterate. Most people do not have a good understanding of risk management for financial activities (Bateman et al., 2012). Failures of financial literacy could lead to financial mistakes that could contribute to financial crises (Bateman et al., 2012). Policy makers and government officials are recognizing that many Americans are incapable of making sound financial decisions (Geddes & Steen, 2016). Barry (2013) further noted that future generations would have a greater disadvantage in handling financial matters if improvements are not initiated. Financial illiteracy expanded beyond the ordinary household responsibilities (Barry, 2013; Geddes & Steen, 2016).

Understanding the impact of financial literacy to daily financial decisions is critical to a person's livelihood (Barry, 2013; Geddes & Steen, 2016).

Efforts to improve financial literacy. Educators are beginning to recognize the importance of integrating financial education in the school's curriculum to help students understand the role that finance played in the creation of sound public policies and financial decision (Barry, 2013). To improve financial literacy for future generations, schools should incorporate courses that demonstrate how public policies affect the individual and society (Barry, 2013). Policymakers and financial experts have the power and the tools to initiate change for educating persons in financial affairs (Barry, 2013). Over recent years, the need for a financially literate population has grown in importance (Taylor & Wagland, 2013). The private sector and government encouraged the development of financial education programs as a critical tool in remedying the detected low levels of financial literacy in the U.S. (Taylor & Wagland, 2013).

Financial literacy is an overall problem, which may help to explain that most church leaders may not possess adequate financial knowledge without additional training or education (Taylor & Wagland, 2013). Organizations may fail due to the lack of financial literacy of leaders (Wise, 2013). Inadequate business acumen including poor financial literacy undermined operational activities and missions for some churches (Wise, 2013).

Church Leadership

The leadership composition of churches comprised of several different formats (Milligan, 2015). Christians recognized that all believers are spiritually gifted to minister or lead in manners to uplift the Body of Christ and bring glory to God (Vann, 2015). Some leaders are paid employees while most church leaders are volunteers (Schneider, 2012). Whether paid or volunteered, every leader serving in a leadership role in the church should have a clear expectation of the tasks, responsibilities, and accountabilities of the leader's role in serving God, the church, the members, and the community (Schneider, 2012). With clear expectation of responsibilities, church leaders should be able to perform their ministries with effectiveness and efficiency (Schneider, 2012). Most church leaders recognized that God called them to serve in their specific leadership roles (Vann, 2015). Church leaders are responsible in developing and cultivating the spiritual giftedness of all church members to enable members to use their spiritual gifts and talents for the expanding the kingdom of God (DeVries, 2016). Through prayer and spiritual guidance, church leaders should encourage the members to use their gifts and talents in sustaining and promoting the ministries of the church (DeVries, 2016).

In the secular world, organizations selected leaders based on their knowledge, skills, experience, and abilities (Leadership, 2016). Churches often considered the biblical qualifications of persons such as spiritual maturity and saintly character when selecting persons to serve in leadership roles (Vann, 2015; Leadership, 2016). Church members believed that leaders are appointed by God for equipping the members for ministry and church development (Ephesians 4: 11- 12). To promote the ministries of the church, church leaders must understand and manage the business aspects of church in a manner to sustain its existence from a financial perspective (Foohey, 2014). Using untrained and unskilled volunteers to oversee the financial operations of the church could lead to mismanagement of the church's resources (Foohey, 2014).

At times, unqualified church leaders invested church funds in unprofitable projects or misjudged the church's ability to meet its financial obligations (Foohey, 2014; Vann, 2015). Some church leaders lacked business acumen and are insensitive to the business aspects of the church (Foohey, 2014; Vann, 2015). These church leaders often failed to plan for fluctuations in membership contributions, which could significantly reduce the overall cash flow of the church

(Powers & Yaros, 2013). Foohey (2014) emphasized the mismanagement of religious entities may lead the organizations in a financial distress position, which could ultimately cause the church to enter the bankruptcy system.

Leadership in the Baptist church. The leadership of a Baptist church comprised of one or more ordained ministers and several boards consisting of elected members of the congregation (Bilkins, Allen, Davey, & Davey, 2015; Vann, 2015; Buschart, 2016). The Baptist congregation normally exerted a certain amount of control over the leadership and management of the church's operations (Hillman, 2013). Buschart (2016) labeled this form of governing as a congregational church government. In a congregational environment, the church members or the congregants actively participated in the oversight and management of the church (Vann, 2015). Through a democratic process, church members voted on all major decisions that would impact the operations of the church (Hillman, 2013). The church members are empowered to influence the performance of the church's leaders (Hillman, 2013; Buschart, 2016).

Many Baptist churches including the black Baptist church adopted the Hiscox Doctrine as guidance in managing and leading the church body (Schaal, 2014; Vann, 2015). The Hiscox doctrine stipulated the Bible is a complete and infallible guide for every aspect of life (Schaal, 2014). The Hiscox further provided guidance for churches to follow in relationship to church membership, leaders, and Christian discipline (Schaal, 2014; Vann, 2015). For Baptist churches, the members strongly practiced their faith and belief in observance as the Bible being the primary authority and the Hiscox doctrine provided guidance and clarification in following the directions of the Holy Spirit through the Word of God (Schaal, 2014; Baptist, 2016).

Baptist church leaders. In most Baptist churches, the basic church leaders comprised of the senior pastors, associate pastors, deacons, trustees, treasurers (financial manager), and other ministry leaders (Buschart, 2016). Carrying the greatest level of responsibility, the senior pastor conducted the primary functions for preaching, teaching, promoting the vision and the spiritual nurture of the members (Quick, 2016). Associate pastors assisted the senior pastors by overseeing the various ministries of the church such as the youth, music, or missionary departments (Bilkins et al., 2015; Quick, 2016). As described in Acts Chapter 6, the Apostles appointed deacons to serve the needy of the church. Following this Biblical example, most Baptist churches ordained deacons to serve as advisers to the senior pastor and to oversee the physical well-being of the members (Bilkins et al., 2015; Quick, 2016). In the Baptist church, the trustees are elected officers who are primarily responsible for overseeing the financial operations, assets, and resources of the church (Reference, 2016). To assist the trustees in managing the financial resources, most churches designated a treasurer or a financial manager to perform the accounting functions of the church (Quick, 2016). The Baptist churches often encompassed several other leadership roles or ministries to further the mission and vision of the church (Quick, 2016).

The senior pastor served in many roles and has some responsibilities for the overall operations of the church functions and ministries (Hollowell, 2016). Through the preaching and teaching of God’s Word, the senior pastor conducted worship services, engaged in outreach ministries, promoted mission projects, counseled the members of the congregation, and oversaw the administrative duties of the church (Hollowell, 2016). Serving in several roles, the Baptist pastor is the preacher, an evangelist, a teacher, and an administrator (Reference, 2016; Vann, 2016). As a servant leader, the senior pastor maintained the spiritual edification of the congregation and oversaw the administrative processes of the church’s operations to sustain its missions and ministries (Reference, 2016).

The primary responsibility of overseeing the financial operations of the Baptist church resided with the church trustees (Foohey, 2014; Reference, 2016). Through spiritual guidance, the Baptist trustees must represent the church in legal and financial matters and should possess knowledge and skills in asset management, contracting, budgeting, accounting, and legal matters (Devries, 2016; Reference, 2016). Coordinating with the senior pastors, the trustees governed the financial affairs of the church to ensure compliance with the church's by-laws and the federal and state laws and regulations (Foohey, 2014; Reference, 2016). The trustees are ultimately accountable for the financial stewardship of the church's assets and ensure the church can fulfill its financial obligations, objectives and goals to meet the spiritual and physical demands of the church body (Reference, 2016).

Most Baptist churches would designate a treasurer or financial manager to handle the accounting of the revenue and expenses for the church operations (Rixon, Rois, & Faseruk, 2014). The majority of church treasurers are volunteered and are not professional accountants (Rixon et al., 2014). Therefore, these church treasurers may lack the expertise and skills to ensure compliance with generally accepted accounting standards and to establish sound internal control to protect the financial resources of the church (Foohey, 2014; Rixon et al., 2014). The treasurer may sign checks and other financial instruments (Rixon et al., 2014). The treasurer should present financial statements and other financial reports to church on a regular basis such as quarterly and annually (Rixon et al., 2014). The treasurer would work with the trustees and senior pastor to implement accounting controls to secure the financial resources of the church (Rixon et al., 2014). The pastor, trustees, and treasurer have a fiduciary responsibility to the local church body to understand the financial aspects of the church, to frequently communicate the financial status to the members, and to protect the church's financial resources (Rixon et al., 2014; Hollowell, 2016).

Black Baptist leadership responsibilities. Most black Baptist churches established structures for leadership and operations similar to other Baptist churches or non-black Baptist churches (Vann, 2015). In black Baptist churches, church leaders acknowledged their leadership positions as a calling from God to serve in the leadership role of the church (Hodges et al., 2016). Like other racial groups, black families depended on spirituality as a source of support as they encountered various challenges (Avent & Cashwell, 2015). With nearly 80% of black Americans identifying religion as important in comparison to only 50% of the general American population, blacks identified God as a main source to cope with challenges and depended on their religion and spirituality during difficult times (Avent & Cashwell, 2015).

Most blacks developed their leadership skills through their service in the church in such roles as pastors, deacons, and trustees (Hodges et al., 2016). Today, serving in the leadership role, the pastor of the black Baptist church must possess the skills to oversee many roles in the church to include understanding the financial aspects of the church (Hodges et al., 2016; Vann, 2016). The church leaders must be able to make good decisions for managing the church resources (Hodges et al., 2016). In cultivating and promoting church membership, church leaders must also understand financial and accounting functions of the church in meeting the financial needs of the church ministries (Hodges et al., 2016). The black church often served as an overarching guidance and influence in the lives of black Americans (Avent & Cashwell, 2015). Playing a substantial role in the lives of many black Americans, the black church leaders must be able to make sound decisions for the black community and to sustain the financial stability of the church (Hodges et al., 2016).

Accounting Stewardship in the Church

Churches often collected significant amount of cash as offerings on Sunday mornings (Alexander, 2012). These offerings were the voluntary donation of money in the support of the church's organizations, buildings, and ministries (Crawley, 2014). In 2012, religious donations estimated at $101.54 billion (Crawley, 2014). Along with providing spiritual guidance, church leaders should manage the funds and operations of the church effectively and efficiently (Milligan, 2015). Church leaders should understand their responsibilities for the financial well-being of church in connection with their obligations to exhibit good stewardship for the church's resources and assets (Milligan, 2015).

Some churches have ineffective accounting practices, which hindered the church leaders' abilities to provide good stewardship over the church's resources (Ruhl & Smith, 2012). Since churches are exempted from any legal authority to disclose its financial statements to its memberships, some church leaders do not recognize the necessity for accountability of financial resources. In demonstrating good stewardship, church leaders should ensure the resources are secured and used for the intended purposes of the church ministries (Ruhl & Smith, 2012). Stewardship over the church's resources is a biblical command for Christians in fulfilling the services of God (Crawley, 2014). Since some churches struggled financially just to make ends meet and relied on the offerings from Sunday to Sunday, good stewardship is critical to its operations (Crawford, 2013).

Inspiring membership contributions. Churches relied on members' contributions to meet its financial obligations (Barnes, 2013; Crawford, 2014; Liberty, 2014). Seeking increased donations from members and other donors, churches should implement strategies that would build and cultivate relationships with members and other donors (Barnes, 2013; Powers & Yaros, 2013). Powers and Yaros (2013) expressed the significance in communicating financial information to members to increase contributions. To enhance member's relationships, churches should incorporate strategies that promote openness (Crawley, 2014; Powers & Yaros, 2013). Churches should communicate regular to their donors and provide timely financial reports of how donations were used in fulfilling the church missions (Crawley, 2014; Powers & Yaros, 2013). Church leaders should communicate to members the successes in meeting ministry's missions and the results of the financial data in fulfilling the current operations (Powers & Yaros, 2013). Churches should communicate with members frequently and candidly to promote the goals and achievements of the religious organization. Church leaders should present the church's operating budgets to its members (Powers & Yaros, 2013). Disseminating literature to the members regarding the effectiveness of the missions and the financial stability of the organizations may help to sustain the operations of the entity (Enofe & Amaria, 2011).

Supporting corporate social responsibilities. Christian churches, activists, and organizations often engaged in changes to promote corporate social responsibilities and financial reporting (MacLeod, 2011). Some evangelical church leaders increasingly promoted the rise of corporate social responsibility and socially responsible investment, which included the protection of human rights, the promotion of environmental sustainability, and fair labor practices (MacLeod, 2011; Lusardi & Mitchell, 2014). In a globalizing environment with increasing corporate power and new governance challenges, Christians experienced increase complexities of faith to promote the demands of corporate social responsibilities (MacLeod, 2011). Christians mobilized to influence the direction and nature of corporate social responsibilities (MacLeod, 2011). In order to effectively interact in these activities, Christians should acquire financial literacy and accountability in supporting a greater calling in promoting corporate social responsibilities (MacLeod, 2011; Kummer, Singh, & Best, 2015).

Tax Exemptions for Churches

The IRS provided a tax exemption for non-profit entities that operated for purposes to serve the public rather than a private interest (Scott & Sanders, 2014). Butterfield, Sasser, and Smith (2012) explained that tax exemption is a status that allowed the American public such as churches and other non-profit entities to keep most of the contributions and donations received from their stakeholders or the general public. Most charitable nonprofit entities must obtain a tax-exempt status under the Internal Revenue Code section 501(c)(3), and they must file an annual Form 990 to report the financial activities of the organization. In the beginning of taxation in the United States, the American lawmakers exempted churches from taxation (Butterfield et al., 2012; Brookstone, 2015). The United States government and Congress (the lawmakers) supported the exemption of taxation for churches, because churches provided resources to the needy and fostered a role in serving the American public (Brookstone, 2015). Therefore, churches are automatically exempted and are not required to obtain the 501(c)(3) status (Internal, 2016). However, some churches obtained the 501(c)(3) status to receive additional benefits associated with the status from the public such as sales tax exemption (Schrant, 2012; Trussel, 2013). Even when obtaining the 501(c)(3) status, churches are not required to submit Form 990 (Schrant, 2012; Trussel, 2013). Churches that submitted the Form 990 often have some financial control in place such as preparation of financial statement (Schrant, 2012).

Even though churches may not be required to submit Form 990, they must file Form 990-T, "Exempt Organization Business Income Tax Return" (Internal, 2016). Churches must file

Form 990-T if they earned unrelated business income (UBI) of $1,000 or more during the tax year (Internal, 2016). A religious organization's income is subject to UBI taxes unless it can demonstrate that activities related to purposes which the organization is exempted from taxes (Schrant, 2012).

Revocation of tax exemption. Under the Internal Revenue Code Section 501(c)(3), churches qualified for several tax benefits, which included exemption from filing federal tax return, Form 990 (Trussel, 2013). In addition, the donors or contributors reduced their taxable income when allocating their contributions as itemized deductions (Trussel, 2013). Due to inadequate accounting processes, some churches may lose their tax-exempt status (Ruhl & Smith, 2012). Since churches are not required to obtain the 501(c)(3) status or file financial reports to receive the tax-exempt status, the lack of financial accountability may lead to mismanagement resources and legal consequences (Ruhl & Smith, 2012). The IRS may initiate investigations because of excessive compensations to church leaders, underpayment of payroll taxes, and failure to report of unrelated business income (Drucker, Maguire, & Wolf, 2012; Nokes, Holmes, & Owens, 2013). Churches engaging in an IRS audit or investigation spent substantial amount of money to obtain legal services and other professional assistance (Journy, 2015). IRS may revoke an organization's tax-exempt status for legal concerns over tax abuses such as operating for a profit (Journy, 2015).

Other legal challenges. Churches are sometimes subject to congressional scrutiny generating from constituent referrals, media reports, or legislative interest (Nokes et al., 2013). Disgruntle members may report concerns of tax abuses, which may initiate investigations or audits by the IRS (Drucker et al., 2012; Elson & Tarpley, 2015). Some of these abuses may relate to underpayment of payroll taxes or failure to report UBI in excess of $1,000 (Elson &

Tarpley, 2015). The IRS can initiate an examination of a church to ascertain the legitimacy of the entity as a religious institution and determine if the church is operating as an exempt organization (Wagenmaker, 2012). In performing the examination, the IRS determined if the church has taxable UBI, which is subject to federal tax (Wagenmaker, 2012). With adequate accounting controls in place, churches can mitigate their risks of losing its tax-exempt status (Wagenmaker, 2012). Church financial managers needed to be aware of the potential tax liabilities associated with their responsibilities in overseeing the financial operations of the church (Drucker et al., 2012). Being aware of the tax rules and regulations would help church financial managers protect the church from potential legal consequences imposed by the IRS (Drucker et al., 2012). Church financial managers should maintain accurate financial records to defend an IRS investigation or audit (Platau & Dickins, 2012).

Fraudulent Activities

Many people preferred not to think about fraud and recognized it as dark side of business or operations (Kramer, 2015). Small entities usually do not have sufficient resources to survive a fraudulent loss (Alexander, 2012; Kramer, 2015). Fraud encompassed a variety of techniques and impacted entities of all sizes and types including not-for-profit entities such as churches (Kramer, 2015). The nature of not-for-profit entities can make them vulnerable to fraud, because their missions involved doing good deeds for less fortunate people (Alexander, 2012). This accommodating culture can make not-for-profits susceptible to placing a greater trust in their employees or volunteers than private entities (Tysiac, 2013a).

Fraud has more significant economic impact on society than any other criminal category (Brotherhood, 2015b; Free & Murphy, 2015). Disciplines such as criminology, ethics (psychology and philosophy), and business (auditing, forensic accounting, or organizational corruption in organizational behavior) increased their focus on fraudulent activities (Free & Murphy, 2015). In the areas of forensic accounting and auditing, conventional fraud research focused on individual patterns of fraudulent behavior (Enofe & Amaria, 2011; Free & Murphy, 2015). Free and Murphy (2015) introduced the concept of the fraud triangle, which implied the following three conditions existed whenever a fraud occurred: (a) pressure or an incentive that created a motive to commit fraud such as personal financial problems, (b) an opportunity to perpetrate fraud such as a lack of sound internal controls, and (c) an individual's attitude regarding the right to commit fraud or the ability to rationalize the fraud.

Perpetrators and co-offenders. Free and Murphy (2015) further asserted fraudulent activities often happened with a co-offender. Through close mutual social and work-related relations, perpetrators of fraud concealed illegal activities (Free & Murphy, 2015; Kramer, 2015). The bonds between members in local churches can cause them to overlook incidents relating to fraudulent activities (Free & Murphy, 2015; Kummer et al., 2015). Sometimes church members protected a perpetrator due to their religious bonds (Free & Murphy, 2015).

Church fraud. Brotherhood Mutual Insurance Company provided insurance coverage for a lot of churches (Brotherhood, 2015b). The vice-president-property reported that annually churches filed an average of 30 claims involving fraud, embezzlement, or staff dishonesty (Brotherhood, 2015b). Church members often do not believe their pastor or other church leaders would steal from the church (Brotherhood, 2015b; Kramer, 2015; Kummer et al., 2015). The most trusted persons are often the perpetrator of fraudulent activities (Brotherhood, 2015b; Peters, 2015). During the first half of 2014, Christians worldwide committed more than $39 billion in church-related financial fraud and spent only $35 billion on worldwide mission work during the same time frame (Brotherhood, 2015b).

Often, churches refused to report fraudulent activities, which researchers estimated about 80 percent of all fraudulent activities are unreported (Brotherhood, 2015b). Most Christians do not steal from the church, and it is only a few perpetrators in trusted positions are the culprits (Brotherhood, 2015b; Peters, 2015). Fraud often occurred when church and ministry leaders did not consider the distinctions between their core ministry and financial operations (Brotherhood, 2015b; Kummer et al., 2015). Since the financial operations of the church support the ministries, then church leaders should incorporate written policies and procedures in handling the financial affairs of the church (Peters, 2015). Church members relied on church leaders to handle the financial matters responsibly to advance the ministry goals of the church (Enofe & Amaria, 2011). Church leaders should promote high standards of financial stewardship in governing the church's financial operations and should implement sound internal controls to protect the resources of the church (Brotherhood, 2015b). Church leaders with extensive financial experience also can play a significant role in preventing and detecting fraud (Tysiac, 2013a).

Accounting and Internal Controls

A religious institution is a business, which required proper management of its operations (Alexander, 2012; Peters, 2015). Church leaders have a fiduciary responsibility to manage the church's resources and assets to ensure they are available to serve the church's ministries and congregations (Alexander, 2012; Ekhomu, 2015). To effectively manage these resources and assets, church leaders must protect the resources and assets with fraud prevention plan to include implementing appropriate accounting and internal controls (Ekhomu, 2015; Peters, 2015). Many worshipers considered the church as a place of refuge (Peters, 2015). Members engaged in close relationships with the persons who work at these organizations and foster strong bonds of trust (Peters, 2015). Due to these trusting relationships, members are often deceived in believing that churches are immune to fraudulent activities, but religious entities, similar to other businesses, can be victimized by fraud (Peters, 2015).

Trusting relationships. Many nonprofit organizations such as churches relied on trusting relationships and volunteer support (Kummer et al., 2015). Smaller churches are less likely to have qualified and experienced staff members in place to effectively manage its resources (Kummer et al., 2015). These churches failed to have adequate accounting processes to prepare formal budgets, to maintain adequate accounting records, and to produce annual financial reports. Lack of adequate accounting processes may lead to misappropriation of funds (Ruhl & Smith, 2012).

Unqualified financial managers. Many small churches did not always hire qualified employees with the appropriate financial background and expertise (Kummer et al., 2015). Due to funding limitations, small churches often engaged volunteers with little accounting knowledge to handle its accounting operations (Enofe & Amaria, 2011). The financial managers of the church may not understand generally accepted accounting principles (GAAP). Hence, some church financial managers may not have the necessary skills to manage resources and secure the assets effectively (Enofe & Amaria, 2011).

Mitigate risks. Organizations developed policies and procedures to implement accounting and internal controls to safeguard its resources and assets (Tysiac, 2013a). To minimize the risk of fraud, strong accounting and internal controls are critical to its financial operations (Peters, 2015). Churches can mitigate its risk of fraud by implementing adequate accounting and internal controls (Peters, 2015). To establish sound internal controls, churches should document their values in a written code of ethics for board members and present them with these documents during the orientation process (Tysiac, 2013a). Carefully monitoring expenses and other financial reports would help protect an entity from fraudulent activities. In addition, churches should implement best practices such as securing annual audits and recruiting board members with financial expertise (Tysiac, 2013b).

Theoretical Framework

The emphasis of stewardship theory in this research study focused on the church leader's financial accountability from an accounting aspect, leadership characteristics of effective stewards, and the biblical principles relating to financial responsibilities. Murphy, O'Connell, and Hogartaigh (2013) referenced accountability and stewardship as the living law of accounting. Ali (2012) identified the stewardship characteristics in persons that demonstrated trust, confidence, and goodwill. Understanding the principles of biblical stewardship could enhance church leader's performance of financial stewardship that can be specifically linked to church development and mission achievements (Randa, 2012).

From principal-agent theory to stewardship theory. The principal–agent relationship is based on a contractual relationship between principal and agent (Hiebl, 2015). In the past, this relationship was known as the agency theory (Hiebl, 2015). Under the agency theory, each party sought different goals and interests (Bernstein, Buse, & Bilimoria, 2016). The principal or owners delegated control to the agent and depended on the agent to provide services and information on behalf of the organization (Bernstein et al., 2016). If the agent did not respond in the best interest of the principal, the agent presented inadequate information and demonstrated opportunism and goal conflict (Bernstein et al., 2016). An agent's core duties included the verification of financial statements with accounting books, other documents, and factual circumstances (Glinkowska & Kaczmarek, 2015).

Financial managers as agents compiled the financial reports to reflect the profit or loss of the entity and presented the reports in the general meetings (Hiebl, 2015). Glinkowska and Kaczmarek (2015) suggested that financial gain is the primary motivator for the agency under the agent theory. Therefore, there is a significant need to align agent behavior with stakeholders' interests (Glinkowska & Kaczmarek, 2015). Alternatively, the stewardship theory implied the agent acted in the best interest of the principal even if their interests differed, because the agent achieved higher personal outcomes of accomplishments, affiliation, and self-actualization (Bernstein et al., 2016). Furthermore, the principal's and agent's goals are completely aligned because of shared interests (Hiebl, 2015). The stewardship theory alluded the governance perspectives of the principal and agent connected because they have compatible or aligned goals (Bernstein et al., 2016).

The stewardship theory focused on managerial behavior (Glinkowska & Kaczmarek, 2015). The stewardship theory emphasized managers' satisfaction in performing their duties as the key motivating factor for managers to achieve success (Hiebl, 2015). Glinkowska and Kaczmarek suggested (2015) that managers' behavior is pro-organizational and in line with the best interests of the organization. Therefore, there is no conflict between managers and stakeholders (Glinkowska & Kaczmarek, 2015; Hiebl, 2015).

In the agency theory, the motivating factor emphasized the result of financial needs of the agent (Hiebl, 2015). However, in the stewardship theory, the source of motivation incorporated a greater fulfillment such as progress, accomplishments, self-actualization (Glinkowska & Kaczmarek, 2015). The critical factors in stewardship theory included trust, engagement, communication, and low power distance. Conversely, the significant factors in agency theory included control mechanisms, individualism, and high-power distance (Glinkowska & Kaczmarek, 2015).

Corporate governance incorporated the processes and systems to organize the overall direction, control, accountability, and stewardship of an entity (Lockett, 2014; Bernstein et al., 2016). Healthy governance characteristics integrated the fulfillment of legal and fiduciary responsibilities and promoted effective leadership performance in setting the organization's mission and vision (Bernstein et al., 2016). The stewardship roles and responsibilities in organizations included selecting, supporting, and evaluating the chief executive; developing strategic plans; monitoring programs and services; overseeing financial, ethical, and legal processes, promoting fundraising events; and recruiting of new board members (Bernstein et al., 2016).

Characteristics of a steward. Ali (2012) defined a steward as a person who managed another's property or finances. One of the key features of a steward included a caretaker who has a responsibility to take care of property owned by another person or entity (Hiebl, 2015). The steward had no legal rights to the property but worked on behalf of the property owner (Ali, 2012). A good steward cared for the property and resources as if they were his own. Consequently, an immoral steward disrespected the principal's property or failed to yield the outcomes that principal expects from effective management (Ali, 2012). In theory, stewardship is an ethic that exemplifies the careful and responsible management of the property and resources entrusted to one's care (Griffin, 2015). The characteristics of effective stewardship included trust, confidence, and goodwill (Ali, 2012). Exhibiting good stewardship, the steward exhibited diligence, purpose of duty, and a commitment to comply with the law (Ali, 2012). Ali (2012) suggested that stewardship incorporated the effective characteristics of the steward who exhibited diligent, dutiful, ethical, efficient, accountable, respectful, and responsible efforts toward accomplishing the goals of the principal or entity. The principal or owner delegated responsibilities and duties to the steward to include contractual obligations, tortuous liability, and fiduciary obligations (Ali, 2012).

The financial steward should not unduly enrich himself from his position by engaging in activities in which he stands to gain a benefit for himself to the detriment of his client (Ali, 2012). Ali (2012) emphasized the failure to implement effective stewardship can result in potential liability for breach of contract and negligence or breach of fiduciary obligations, which can lead to criminal charges. Abusing power and seeking to enrich themselves through unlawful methods, the financial steward encountered legal prosecution (Free & Murphy, 2015). Stewardship crimes included fraudulent activities such as misappropriation of funds and misuse of information for the purpose of insider dealing (Free & Murphy, 2015). When financial stewards negated to fulfill their duties of stewardship, the consequences were devastating (Peters, 2015). As a result, there is a betrayal of trust, and the principal or owner experienced the loss of financial resources (Tysiac, 2013b). A lack of financial stewardship diminished integrity and stability (Ali, 2012).

Ali (2012) noted that effective application of stewardship encountered many challenges such as globalization, technological advancements, and unregulated financial operations. The lack of universal oversight for entities like churches created a vital ground for misconduct to flourish and reduced the ability to implement effective stewardship (Peters, 2015). Enhancements in communication and technologies facilitated the globalization of financial stewardship in fulfilling the objectives of the agency (Ali, 2012).

Steward leadership. Steward leadership emphasized the role of stewardship and the common good instilled and enhanced in leaders to promote a healthy society (Goodrich, 2013). In a period of transparency, society no longer is willing to allow unscrupulous behavior to be swept under the rug, and consumers are increasingly vocal about their desires for companies and governments to demonstrate social conscience as well as pursuit of profit (Peters & April, 2014). Steward leadership provided the qualities in stewardship as a leadership model in developing leaders' abilities to meet upcoming challenges including technological, economic, demographic, political, environmental, informational, and moral values (Peters & April, 2014).

Peters and April (2014) suggested that steward leadership is a more empowering and sustainable form of leadership, which fostered the common good of society and stimulated a sense of public duty. Under the steward leadership standard, leaders are empowered to serve a greater cause than themselves and strived to deliver results for the benefits of others (Goodrich, 2013). The steward leadership style of management enabled the leaders to develop effective sustainable organizations (Peters & April, 2014). Conventional leadership styles within a command and control management environment focused on reducing costs and creating profit (Peters & April, 2014). As an example, church leaders with minimal education who employed steward leadership style have successfully led thousands of people to Christ (Peters & April, 2014). Stewardship qualities included mastering goals, promoting vision, mentoring subordinates, understanding diversity, risk-taking activities, maintaining maturity, raising awareness, and delivering results (Peters & April, 2014).

To achieve stewardship qualities, church leaders must continue to develop and enhance their personal growth and abilities in performing their duties and responsibilities to establish confidence and trust of others (Griffin, 2015). Steward leaders provided directions commitment in pursuing a clear vision to fulfill the best interests of the organizations, stakeholders, and the public (Peters & April, 2014). To sustain a vibrant entity, steward leaders mentored others by responding and paying attention to their needs (Peters & April, 2014). In an increasingly multi-cultural society, steward leaders must strive to understand and appreciate people of all culture, and provide opportunities in a diverse environment to everyone to achieve excellence and to be a productive member of the workforce (Peters & April, 2014). Successful steward leaders must exhibit courage in taking risk in implementing new ideas and pursuing innovation (Peters & April, 2014).

Responding in a mature manner, steward leaders recognized their own limitations and are open to learning from others (Goodrich, 2013). Steward leaders demonstrated characteristics as empathy, compassion, and actively listening (Peters & April, 2014). Steward leaders worked in partnership with others and empowered them to achieve results to fulfill a meaningful purpose for the community and the company (Peters & April, 2014). Ultimately, the steward leader is seeking to pursue the best for the world or society as a whole (Peters & April, 2014).

Linking Stewardship to Accounting

Murphy and O’Connell (2016) traced the evolution of stewardship across several historical periods in accounting revolution. Initially, stewardship in accounting focused on the managers’ duties in safeguarding and reporting of assets for the owner (Rixon et al., 2014). Subsequently, stewardship was characterized as the steward having also the authority to make financial decisions on behalf of the owner (Lockett, 2014). In the beginning, the stewards provided basic balance sheet information to communicate the financial status of the owner (Murphy & O’Connell, 2016). In subsequent periods, stewards recognizing the need for performance reporting intensified, which led to the generation of the income statement (Rixon et al., 2014). Overall, stewardship was an important aspect of accurate record keeping (Murphy & O'Connell, 2016). As the scale and scope of commerce emerged over time, the concept of stewardship and accountability in accounting expanded from financial reporting to the evolution of strategic stewardship, which considered the greater needs of society as well as of individuals and organizations (Murphy & O'Connell, 2016).

Through strategic stewardship, leaders demonstrated trustworthiness in managing the resources of the entities (Crawley, 2014). Strategic stewardship emphasized and nurtured trusting relationships, which positively influenced ethical behavior (Murphy & O'Connell, 2016). With trustworthiness, leaders exhibited behavior of truthfulness, which was vital to the concept of strategic stewardship (Murphy & O'Connell, 2016). Truthfulness in communication is an essential part of the moral principles of society including the accounting profession (Griffin, 2015).

Historically, accounting emphasized the decision-usefulness of financial data (Geddes & Steen, 2016). Today, the concept of stewardship is connected with the integrity of management operating in the best interest of the public (Murphy & O'Connell, 2016). Murphy and O'Connell (2016) recognized accounting as a critical part of the justice system of any society. An objective of financial stewardship included leaders presenting financial statements in a complete and accurate manner incorporating the elements of truthfulness and decision-usefulness (Griffin, 2015). Stewardship incorporated a full account of all activities of a period (Murphy & O'Connell, 2016). In describing the importance of stewardship with accounting reports, financial statement users and other stakeholders routinely expressed truth or similar terminology as the desired quality of financial reports (Bayou, Reinstein, & Williams, 2011). Therefore, the financial reports should contain information that is factual, accurate, and truthful about the specific entities issuing the financial reports (Bayou et al., 2011).

At times, the public or stakeholders have been misled in trusting an effective system of checks and balances would ensure the accountability of financial managers or stewards of the financial resources (Barry, 2013). The innocent public and stakeholders accepted as truth that accounting reports are prepared in accordance with generally accepted accounting principles (Enofe & Amaria, 2011). Statement of Financial Accounting Concept 1 stipulates that "Financial reporting should provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit, and similar decisions" (FASB, 2016a).

For centuries, accountability and stewardship have clearly been the social and organizational pillar of accounting (Lockett, 2014). Recording and reporting of accounting data depended on the complex networks of stewardship and accountability in the financial environment (Hiebl, 2015). Murphy et al. (2013) argued that accountability and stewardship represented parts of the laws and rules of accounting that shaped accounting theory. Early formats of counting and accounting were at the heart of accountability through record keeping for commodities and other financial purposes (Murphy et al., 2013). In the past, accounting was considered a form of monetary control where physical objects could be recorded and compared (Murphy et al., 2013). From the beginning, accounting generated and sustained order that influenced accountability and stewardship (Murphy et al., 2013; Hiebl, 2015). This essence of accounting elucidated the origins and the relevance of stewardship and accountability in the accounting profession (Murphy et al., 2013).

Biblical Aspects of Stewardship

To teach their members, pastors and church leaders must a proper understanding of the biblical principles for stewardship (Randa, 2012). People who believed in Christ did not automatically understand their responsibility about giving or performing God's work (DeVries, 2016). Pastors as chief executive officers of churches are responsible to teach and equip their congregations to understand and practice God's will for their churches (Randa, 2012). As stewards of the living God, Christians should be faithful and accountable in managing God's property and resources (Crawley, 2014). The lack of funding in some churches resulted from negligence or carelessness of leaders (Brotherhood, 2015b).

Christian leaders must understand that Christians lived in this world as stewards of God (Randa, 2012). God generously entrusted all his possessions to human beings and permitted people to make use of His possessions (Crawley, 2014). Therefore, a primary problem was church leaders tended to forget that God was only allowing them to use what still belonged to him (Randa, 2012). Due to mistrust for church leaders and fear of misuse of funds, congregants often reduced their contributions to the church (Ekhomu, 2015). Moral stewards understood that all their belongings come from God (Randa, 2012). For Christians exhibiting good stewardship is not optional (Crawley, 2014). As Disciples of Christ, Christians must nurture and share their gifts of time, talent, and treasures with other people (DeVries, 2016). Therefore, pastors and church leaders must comprehend the principles of biblical financial stewardship to promote effective financial stewardship in the church (Randa, 2012).

Every denomination understands that effective stewardship is a biblical necessity for all Christians (Randa, 2012). Today's churches should require leaders to be accountable to God for entrusting the church's resources to them (Brotherhood, 2015b). In transforming lives, pastors must help the members to understand their fiduciary responsibilities relating to financial stewardship of God's resources (Peters, 2015). Financial stewardship is an essential and integral aspect of spirituality (Randa, 2012). Randa (2012) asserted that church members who understood Christian stewardship would sense God's amazing love that inspired and motivated them with a willingness to give according to God's will. Financial stewardship related to the manner in which Christians faithfully and wisely managed their finances in accordance with Biblical principles (Crawley, 2014). Christian leaders would bless themselves and others in implementing effective stewardship practices over God's resources (Randa, 2012). Randa (2012) suggested that biblical teaching on financial stewardship is critical to sustain the mission of the churches today. Observing biblical principles, Christian leaders should manage the church's resources in accordance with God's will (Randa, 2012).

The biblical translation of the meaning for stewardship derived from oikonomia (Randa, 2012). In essence, the word united oikos for house and nomos for law (Randa, 2012). Therefore, stewardship related to the office of household administration or to manage a house household, which associated with the financial management of a household (Randa, 2012). In Luke 16, Jesus described a parable that revealed the severity of the responsibilities of the steward. Luke 16:1-2 states, "…There was a certain rich man, which had a steward; and the same was accused unto him that he had wasted his goods. And he called him, and said unto him, How is it that I hear this of thee? Give an account of thy stewardship; for thou mayest be no longer steward." Likewise, church members expected their leaders to give an account of their stewardship in managing the church's resources (Zou & Hope, 2015).

Christians recognized that God is the head of the church and owns all the earth's resources including the church's properties and money (Zou & Hope, 2015). As stated in Psalm

24: 1-2, “The Earth is the Lord’s and the fullness thereof; the world, and they that dwell therein.” Understanding stewardship in relationship to God as the head of the house, church leaders should be motivated to manage the church’s resources in an effective and efficient manner (Randa, 2012). God expected his children to be trustworthy (Randa, 2012). Christians must use their gifts to benefit both their household and others (DeVries, 2016). Randa (2012) expressed that stewardship sought to mobilize Christians to optimize the benefits of the resources and to achieve God’s will, as a method of serving God and His children. In essence, Christians engaged in exhibiting behavior of good stewardship as a form of worshipping and honoring God (Zou & Hope, 2015).

God designated certain Christian stewards as trustees over the enormous God given resources (Quick, 2016). Through the contributions from the church members, Christians are able to achieve God’s missions by effectively managing the resources and implementing good stewardship practices in carrying out their duties and responsibilities (Randa, 2012). Consequently, the main reason for ineffective stewardship often centered on a fundamental misunderstanding or invalid claim of ownership (Ekhomu, 2015). Randa (2012) emphasized that effective stewardship includes developing, growing, advancing, and building our God given gifts to enhance the kingdom of God. Randa (2012) asserted that trustworthy Christians should oversee and manage church finances. Since handling money is a risky, church financial managers must be above reproach in all respects and should be accountable to the God and the church members (Brotherhood, 2015b).

Unfortunately, some church leaders have abused their responsibilities given by the church (Peters, 2015). Sadly, some Christian leaders lose their testimony because they mismanage funds entrusted to them (Ekhomu, 2015). In implementing efficient internal controls over the church resources, church leaders should ensure that more than one person is available to handle offerings (Ekhomu, 2015). In addition, church leaders should disseminate regular financial report to the church members (Peters, 2015). By presenting regular financial reports, the church leaders are indorsing transparency, which built confidence and trust in the leadership roles for the church's members (Randa, 2012). In order to develop trustworthiness relationships and higher levels of confidence, churches should implement an effective reporting and accountability system (Freed & Murphy, 2015). Honesty is the most effective quality of a leader (Randa, 2012). Even when leaders are not perfect, church members desired honest leaders (Randa, 2012).

In reference to biblical financial stewardship, most church leaders lacked an understanding of the practice of biblical stewardship (Randa, 2012). The insufficient knowledge of pastors and church leaders regarding this subject has been a cause of inadequate and unproductive ministry in the churches (Hodges et al., 2016). In reality, most Christian leaders are absolutely clueless about the basic principles of Biblical financial management (Randa, 2012). In essence, pastors should play a significant role in transforming lives by helping church leaders and members understand that financial stewardship is essential to promote the mission of God (Milligan, 2015).

Christian leaders should pursue God's will to become wise stewards over the financial resources that God has entrusted to them to manage (Randa, 2012). Lack of financial understanding can obstruct the church leader's ability to practice sound financial stewardship (Randa, 2012). Hence, church leaders need to learn the true principles of biblical stewardship properly in order to effectively practice and implement good financial stewardship (Crawley, 2014).

Transition and Summary

Establishing adequate accounting records is critical to the sustainability of churches (Enofe & Amaria, 2011). With proper accounting records and strong internal controls, church leaders are informed about the resources and assets of the church and can protect these resources and assets from fraud or misappropriation (Enofe & Amaria, 2011). It is important for churches to retain adequate supporting documentation such as cash receipts and disbursement journals, general ledgers, bank statements, invoices, by-laws, articles of incorporation, and organization's charter (Internal, 2016). Providing accurate financial statements to the church members can enhance the trusting relationships, which may increase contributions to promote the missions and ministries of the church (Enofe & Amaria, 2011). To enhance accountability of the church leaders, religious organizations must look for opportunities to train the leaders in a manner that would increase financial accountability in the church (Enofe & Amaria, 2011).

Understanding that God is the true source of ownership, Christians would need to align their conduct, motives, and actions to manage God's resources in an effective and efficient manner (Randa, 2012). For Psalms 24:1 states, "The Earth is Lord's, and everything in it, the world, and all who live in it." As good stewards of God's property, Christians church leaders should be faithful and accountable in managing God's resources that He has entrusted to them (Randa, 2012). Ephesian 4:1 states, "I therefore, the prisoner of the Lord, beseech you that ye walk worthy of the vocation wherewith ye are called…" In handling the financial resources of the church, the church leaders who acquired those responsibilities should demonstrate good financial stewardship by implementing adequate internal controls and making sound financial decisions (Peters & April, 2014). Churches should ensure that church leaders who are responsible for the financial stewardship of the church have the skills, knowledge, and experience to secure the resources of the church (Peters & April, 2014).

God gifted the church body with the leaders to advance the kingdom of God, as stated in Ephesian 4:14, “For the perfecting of the saints, for the work of the ministry, for the edifying of the body of Christ…” With proper accounting systems, controls, and data, churches can measure its financial stability to aid in fulfilling ministries and missions (Rixon et al., 2014). As Christians, church leaders are called to be good stewards over God’s property (Randa, 2012). As expressed in God’s word, Colossians 3:23 (ASV), states “whatsoever ye do, work heartily, as unto the Lord, and not unto men; knowing that from the Lord ye shall receive the recompense of the inheritance: ye serve the Lord Christ.”

The black church in America referred to the Protestant churches with members who are predominantly black Americans (Barber, 2015). In the U.S., black Protestants represented 6.5% of the total Protestant population with black Baptist embodying approximately 4% of this total representation (Pew, 2014). As revealed in the U.S. Religious Landscape Survey, only 16% of black Baptists graduated from college and only 8% of the members have income above $100,000 (Pew, 2014). Historically, the black church was the pillar of the black community, and played a significant role in the lives of black Americans (Chavis, 2012; Barber, 2015). Nevertheless, the sustainability of some black churches is at risk due to lack of financial literacy and accountability (Lockett, 2014). With lower levels of education and income, black church leaders may not possess the skills, experience, and knowledge necessary to make sound financial decisions (Lockett, 2014). Geddes and Steen (2016) expressed the importance of financial literacy for persons to be able to manage financial resources effectively to sustain their financial stability through their lives. With expanding complexity of financial decisions, Americans required higher financial education to improve financial literacy (Geddes & Steen, 2016).

As a biblical mandate, stewardship was a practice for Christians to observe in daily application and especially over the church's finances (Barnes, 2013; Crawley, 2014). Although the black church served as a place to worship God, the black church also served as a haven in the black community to provide a place of belonging and shared experiences and goals (Crawford, 2013; Milligan, 2015; Hodges et al., 2016). With the black church collecting billions of dollars annually as contributions, black church leaders should implement strong financial stewardship in managing the resources for the purposes of enhancing the church's mission, ministries, visions, and goals (Barber, 2015). Understanding accounting data and financial operations of the church, black church leaders must cultivate and promote effective financial stewardship in overseeing the resources of the church and being accountable to the church members (Hodges et al., 2016).

Section 2: The Project

The focus of this research study was to explore the background and perceptions of the church leaders regarding their financial literacy and accountability skills to oversee the church's resources in the black Baptist churches in the Mid-Atlantic region of the U.S. The lack of financial literacy and accountability of the church leaders could promote misappropriation of financial resources, failure to fulfill organizational missions, and potential legal liabilities (Lockett, 2014). Furthermore, most churches appointed financial managers who have little experience or knowledge in dealing with the financial operations (Ekhomu, 2015). The researcher designed the project, so the results of the study would help to contribute to the current body of research relating to the financial literacy and accountability of church leaders.

This section included the analysis and discussion of the research methodology and design. The analysis included the selection process of participants and the materials and instruments used in the research. Furthermore, the researcher presented the data collection procedures, limitations and assumptions, and ethical assurances. The chapter concluded with a summary of the research methodology.

Purpose Statement

The purpose of this qualitative case study was to explore the lack of financial literacy and accountability of the financial managers, church leaders, and pastors in black Baptist churches in the Mid-Atlantic region of the U.S. In addition, this case study included the exploration of church leader's perceptions of the responsibilities of the financial stewardship of the church. Effective financial operations can assist churches in fulfilling their missions, avoiding legal liabilities, and eliminating misappropriation of financial resources (Ekhomu, 2015). In religious organizations, the financial managers, church leaders, and pastors were critical to the overall success for its financial operations (Ekhomu, 2015). With over 320,000 religious organizations in the U.S., churches embodied people of different ethnicities and diversity (Lockett, 2014). Therefore, the scope of this research was limited to churches, which black Americans represented the majority of its membership. In addition, the focus of this study was to explore the lack of financial literacy and accountability of the black Baptist churches in the Mid-Atlantic region of the U.S. to analyze the impact of accounting responsibilities on the sustainability of the church.

Role of the Researcher

The researcher played an integral role in the data collection process. Yin (2014) noted that in a case study research, the researcher would collect data from people serving in their daily situations. Specifically, for this case study, the researcher collected data from participants who were identified as church leaders or pastors of black Baptist churches. The researcher asked participants 19 interview questions to determine church leader's experiences relating to financial literacy and accountability and their perceptions regarding financial stewardship in meeting the objectives of the church. The researcher sent invitations through email to the participants, then followed up to schedule and begin the data collection process. The researcher interviewed the participants over the phone and used an audio recorder to document the interview. Immediately after the interview session, the researcher drafted notes to document observations of participant's responses and the interview's perspective of the data collection. Then, the researcher transcribed and coded the data for preparation to begin analyzing and interpreting the results of the research.

Participants

In a case study research, the participants were persons from whom the researcher collected the data (Yin, 2014). For this case study, the participants included pastors, church leaders, and financial managers of black Baptist churches in the U.S. of Mid-Atlantic region. The participants were those persons who had a significant role in overseeing the financial resources of the church. The researcher advised the participants the participation in the study was voluntary, and the participants may decide to end their participation in the study at any time without risk or harm. The participants were not compensated for participating in the study. To protect the identity of the participants, the researcher did not reveal the participant's church nor any other personal identifiable information about the participants.

Research Method and Design

The researcher selected a qualitative method to explore the lack of financial literacy and accountability of church leaders in fulfilling the stewardship responsibilities of the church. In addition, the researcher selected the case study as the design to obtain an in-depth analysis of the case. Yin (2014) noted that a case study is the preferred method for a research when the focus is a contemporary phenomenon. This section described the researcher's rationale in selection of the research method and design.

Method

Researchers can use one of three research methods to plan and span their research projects (Creswell, 2014). The three standard approaches included qualitative, quantitative, and mixed methods. In a quantitative method, the researcher aimed to test theory by examining the relationship among variables, and the researcher relied on statistical data generated from asking closed-end questions of participants (Creswell, 2014). Mixed methods combined both quantitative and qualitative approaches in one study. The primary objective of a qualitative method was to explore and understand individual's perspectives to an existing problem by using open-ended questions (Creswell, 2014). In this study, the researcher selected the qualitative method to explore the financial stewardship of church leaders.

Researchers can use case studies to analyze, explore, or evaluate programs (Yin, 2014). Qualitative researchers often engaged in interviews and personal observations as a preference for gathering data and information (Stake, 2010). The construct of the research study was that of a case study qualitative design. Creswell (2014) defined a case study as a design of inquiry found in many disciplines, in which the researcher created an in-depth analysis of a case.

Stake (2010) expressed that quantitative researchers relied heavily on linear attributes, measurements, and statistical analysis. Through design or statistical analysis, quantitative methods provided measurements of objective information (Creswell, 2014). Furthermore, quantitative studies are confirmatory and deductive in context, while qualitative studies are exploratory and inductive in context (Creswell, 2014).

In the qualitative method, the researcher sought to explore a concept or phenomenon (Creswell, 2014; Yin, 2014). The researcher decided not to use a quantitative research method, because the researcher desired to explore an in-depth perspective of church leader's views in their abilities to fulfill their financial stewardship responsibilities of the church. In a quantitative method, the researcher would establish the hypotheses and generate a closed-ended questionnaire. Using open-ended questions through the interview process, the researcher sought to gain the relevant information to explore the financial accountabilities and literacies of church leaders in implementing their financial stewardship duties of the church. Therefore, the researcher did not use the quantitative research design due to limited information generated from a closed-ended questionnaire.

Research Design

Researchers have five types of qualitative designs to select for analyzing their research problems (Creswell, 2016). These five qualitative designs are narrative study, phenomenology, case study, grounded theory, and ethnography (Creswell, 2016). The narrative design was not appropriate for this research study, because the narrative design focused on a single individual (or up to three individuals). The ethnography study focused on developing a portrait of a culture-sharing group (Creswell, 2016). Since the primary problem related to stewardship in accounting, the culture played only a small role in this problem. Therefore, the ethnography study was not appropriate for the research problem.

The phenomenology study was seeking to explore a phenomenon, in which the researcher explored the lived experiences of individuals relating to a specific phenomenon (Creswell, 2014). The research problem did not relate to phenomenological research, because the focus was regarding black Baptist churches versus the experiences of individuals with a specific phenomenon. In grounded theory, the research is intended to lead to the development of a theory (Creswell, 2016). The researcher was not aiming to develop theory, because the theory of accounting stewardship already existed. Since the researcher sought to explore findings and results across several churches, the case study design was the most effective design for this research problem. The qualitative case study allowed researchers to explore a central phenomenon or topic (Creswell, 2016). In this case study, the researcher explored the lack of financial literacy and accountability in black Baptist churches in the Mid-Atlantic region of the U.S.

Yin (2014) expressed that a case study is an effective research method to investigate a contemporary phenomenon in its real-world content. Exploring the financial literacy and accountability of black church leaders, the researcher studied this contemporary phenomenon in its real-world content. Furthermore, Yin (2014) emphasized that a case study is used to contribute to knowledge of the phenomenon of individuals, group, or organizations. The researcher desired to contribute to the knowledge surrounding the financial skills, knowledge, and abilities of black church leaders through using a case study research. Qualitative researchers often engaged in interviews and personal observations as a preference for gathering data and information (Yin, 2014). Furthermore, Yin (2014) asserted the interview process in a case study is one of the most important sources of evidence. Therefore, the researcher interviewed financial managers, church leaders, and pastors of black Baptist churches in the Mid-Atlantic region of the U.S. to gather data and information to explore financial stewardship responsibilities in protecting the church's resources.

Additionally, the researcher should use open-ended questions to guide the interview process in a friendly and nonthreatening manner to obtain the necessary evidence to support the results of the case study (Yin, 2014). In this study, the researcher used open-ended questions through the interview process to gain the relevant information to explore the financial accountabilities and literacies of church leaders in securing the financial resources of the church. Yin (2014) emphasized the researcher should understand the strengths and limitations of a case study research. In reviewing other research designs and understanding the strengths and limitations of a case study, the researcher concluded that a case study would be the preferred method to perform this research study. In using a case study, the researcher must establish sound methods to collect, present, and analyze data in a fair and equitable manner (Yin, 2014). The qualitative case study methodology allowed researchers to explore a central phenomenon or topic (Creswell, 2016; Yin, 2014).

Population and Sampling

Creswell (2014) noted the importance of identifying the population in the research. In the U.S. there were approximately 245 million Christians in 2014 with 16 million persons (6.5 percent) attending historically black churches (Pew, 2014). To narrow the scope of this study, the population for participant's selection was based on black Baptist churches located in the Mid-Atlantic region of the U.S. Next, the researcher selected five black Baptist Churches in the Mid-Atlantic Region of the U.S. These five black Baptist Churches had between 100 and 2000 members. For the purpose of this study, the researcher used purposeful and snowball sampling methods to select church leaders who were responsible for the financial stewardship of the church's resources.

Purposeful sampling included the process of recruiting participants for a qualitative study who could help provide information regarding the central phenomenon in a study (Creswell, 2016). Unlike statistical sampling found in a quantitative study, purposeful sampling involved three components in the selection process (Creswell, 2016). These components included deciding who to select as participants, determining the sampling strategy to use, and selecting the number of individuals for the sample (Creswell, 2016). A basic prerequisite of qualitative research is to select persons for the study who have experienced the phenomenon under studying (Creswell, 2016). Finally, the researcher used the snowball technique to identify persons who were instrumental in the financial stewardship of the church resources.

The sample consisted of pastors, church leaders, and financial managers within five black Baptist churches. The researcher sent letters to the pastors of each of the five churches to seek their participation and their church leader's participation in the research study. Upon agreeing to participate, the researcher asked the pastors to recommend church leaders or financial managers who were instrumental in overseeing the church's financial resources and were responsible for the financial stewardship of the church.

The objective of qualitative research is to obtain information or interpretation from the interviewee (Stake, 2010). The researcher asked probing questions to refine or clarify the information (Stake, 2010). By interviewing church leaders, the researcher selected a case study approach to obtain an in-depth exploration of the church leaders' experiences and their perceptions regarding their financial literacy and accountability skills in fulfilling their financial stewardship responsibilities for the church's resources.

Creswell (2014) indicated that qualitative research studies would typically require a smaller sample size than quantitative research studies. Emmel (2013) noted the largest qualitative study has not exceeded 200 participants with the smallest study being represented by one participant. He further emphasized the number of participants is based on the strategic design of the purpose of the research and not the quantity of participants (Emmel, 2013). For qualitative studies, no guidelines, tests of adequacy, or power calculations existed to establish sample size. Based on studies of past qualitative researches, Emmel (2013) revealed the sample size has ranged from 1- 200 participants. The mean sample size for qualitative research is 30 with a standard range between 15 and 30 participants (Emmel, 2013).

For case studies, one approach in determining the sample size is the idea of saturation (Creswell, 2014; Emmel, 2013). The point of saturation would occur when collecting fresh data would no longer generate new insights or new discoveries (Creswell, 2014). Upon reaching the point of saturation, the researcher would stop collecting data. For this study, the point of saturation occurred with the 10^{th} participant. However, the researcher desired to continue the data collection to ascertain the point of saturation was achieved. Therefore, the researcher interviewed 12 participants.

Data Collection

Creswell (2016) expressed that data collection in a qualitative research involved several processes including selecting of sites, designing the forms for recording the information, and recruiting participants. Baxter and Jack (2008) emphasized the use of multiple data sources strengthen the data credibility including interviews and participant-observation. In this study, the researcher used open-ended questions to gain greater clarity regarding the primary research questions.

Instruments

Researchers are primary instruments in conducting qualitative studies (Creswell, 2014). The researchers engaged in examining documents, observing behavior, or interviewing participants (Creswell, 2014). Carefully listening to the words of participants helped to obtain a better understanding of the central phenomenon (Creswell, 2016). In this study, the researcher conducted telephone interviews. The researcher presented two primary research questions to explore the financial stewardship in black Baptist churches in Mid-Atlantic Region of the U.S. The following are the two research questions: What skills and experience have church leaders acquired to be financially literate and accountable? What are the perceptions of the church leaders regarding their financial stewardship? The researcher developed a list of nineteen interview questions to address the research questions. The interview questions are included in Appendix A. The interview questions were designed to explore the financial experiences of church leaders and their understanding of their financial stewardship responsibilities.

To confirm the accuracy of the data collection, member checking was a useful strategy in a qualitative research (Creswell, 2014). Member checking involved conducting a follow-up interview with the participants and providing them the opportunity to review and comment on the finding (Creswell, 2014). In this study, the researcher provided the information to the participants to verify the accuracy of their responses. The participants reviewed the transcripts and provided feedback.

Data Collection Technique

Yin (2014) emphasized that researchers performing case studies designs must cater to the interviewees' schedules and availability. In addition, the interviewee may not cooperate in answering all interview questions (Yin, 2014). In this research study, all participants cooperated; however, scheduling was difficult at times due to the researcher's availability and the participant availability. The researcher made every effort to accommodate the participant's schedule. In several instances, the researcher re-scheduled the interview time more than once due to other interfering events of the participants. Fortunately, the researcher connected with all 12 participants.

The researcher performed an initial interview with four participants to establish the validity and reliability of the research questions. These four participants were not included in the actual research study. As a result, some questions were modified to establish reliable and valid data. The researcher modified the interview questions as a result of the initial interviews with the four participants. Appendix B contained the original interview questions, and Appendix A contained the modified questions. The original interview questions included 20 questions, and the modified interview questions contained 19 questions. During the process of the initial interviews of the four participants, the researcher eliminated one of the original questions. The researcher determined the question was not necessary, because the question produced duplicative results similar to another question.

Initiating the research process, the researcher sent emails to the pastors of five black Baptist churches in the U.S. Mid-Atlantic Region to invite them to participate in the research. In addition, the researcher asked each pastor to refer other church leaders in the congregation who were responsible for the financial stewardship of the church. Every participant was provided an informed consent document to communicate the purpose, procedures, time commitment, risks and benefits, and confidentiality of the information as disclosed in Appendix C. Prior to starting the interview, the participants submitted the signed informed consent form to the researcher. The participants were notified of their rights to participate in the study, and the right to withdraw at any time. With the participant’s permission, the researcher used an audio tape to record the data. The researcher asked 19 interview questions to explore and understand the financial stewardship responsibilities of church leaders in black Baptist churches. The researcher provided the participants opportunity to address any questions regarding the interview process throughout the data collection process.

The researcher conducted the interviews over the telephone and recorded the interviews using an audio recorder. Next, the researcher drafted notes to document observations and interactions with the participant. Then, the interviewer transcribed the data using Microsoft word documents.

Data Organization Techniques

The researcher collected the data using 19 interview questions. The interviews were held via teleconference. Baxter and Jack (2008) emphasized the need to use a database to track and organize data sources including notes and audio files. The researcher audiotaped the interviews as well as generated notes of the interview.

Upon completion of each interview, the researcher transcribed the interview using Microsoft Word. Then, the researcher entered the information in NVivo 11 and Microsoft Excel. QSR International produced NVivo 11 as a qualitative data analysis computer software package to aid qualitative researchers in storing research data (QSR, n.d.). Yin (2014) expressed that using a computer database helps to maintain and compile an orderly system of the data in a case study.

To protect confidentiality of the participant, the researcher developed specific coding to categorize the data using Microsoft Excel. Upon collection of the data, the researcher categorized the information to group similar themes. All data will be maintained for a period of three years in a locked cabinet and computer data will be stored on a flash memory data storage device with password protection. After three years, the data will be shredded and computer data will be erased and destroyed.

Data Analysis Technique

Yin (2014) defined data analysis as the process of examining, testing, tabulating, categorizing or combining evidence to produce empirically based results. For case studies, researchers should play with the data to search for patterns, insights, or concepts (Yin, 2014). Unlike statistical analysis used in a quantitative study, a qualitative approach required the researcher to develop empirical thinking to interpret evidence (Yin, 2014). However, using a computer-assisted tools assisted the qualitative researcher in developing an overall analytical strategy (Yin, 2014). These computer-assisted tools included prepackaged software such as HyperResearch, Atlas.ti, The Ethnograph, NVivo, and Microsoft Excel (Yin, 2014).

In this case study, the researcher selected NVivo 11 as the tool to store the data and Microsoft Excel to code and categorize the data. Creswell (2016) defined coding as “the process of analyzing qualitative text data by taking them apart to see what they yield before putting the data back together in a meaningful way” (p. 156). The coding process enabled the researcher to create diverse evidence for themes (Creswell, 2016). The researcher analyzed the data to determine common themes, patterns, or trends. Then, the researcher developed the results of the data to determine the relationship of the results to the financial stewardship responsibilities of the church leaders.

Reliability and Validity

Reliability and validity encompassed processes to ensure the data were reliable and valid (Creswell, 2014). In a qualitative study, reliability demonstrated the researcher’s approach was consistent across different researchers and different projects. Qualitative validity implied the researcher checked for the accuracy of the findings by implementing certain procedures (Creswell, 2014). Yin (2014) emphasized the necessity of establishing the quality of any empirical research such as a case study. To substantiate the reliability and validity of a study, the researcher included tests to establish trustworthiness, confirmability, credibility, and data dependability (Yin, 2014).

To establish the reliability and validity, the researcher performed interviews with four individuals to determine if the interview questions provided credible and dependable data. As a result, some questions were modified to establish reliable and valid data. Performing the initial interviews of the research questions is one method to establish the reliability and validity of the research data to improve questions and format (Creswell, 2014).

Reliability

The objective of reliability was to minimize biases and errors in a case study (Yin, 2014). Yin (2014) emphasized the use of a computer database increased the reliability in a case study. Researchers could perform several steps to ensure the study is reliable (Creswell, 2014). These procedures included rechecking transcripts to reduce errors and comparing data with codes and definition to ensure consistency (Creswell, 2014). In this study, the researcher used Microsoft Excel to help ensure the accuracy of the coding. In addition, the researcher double checked the information to ensure consistency.

Validity

Validity represented one of the strengths of a qualitative case study (Creswell, 2014). Validity included the process to determine the accuracy of the findings from the viewpoint of the researcher, the participant, or the readers of an account (Creswell, 2014). Terminologies used in the qualitative research to address validity included trustworthiness, authenticity, and credibility. The researcher actively incorporated validity strategies into the research proposal (Creswell, 2014). Creswell (2016) described internal validity relating to the quality of the procedures used in data collection and analysis. In a case study, tests for internal validity included pattern matching, explanation building, addressing rival explanations, and using logic models (Yin, 2014). In this study, the researcher used Microsoft Excel to help identify pattern matching to establish internal validity.

Creswell (2016) described external validity to include strategies to validate the external quality of the study. Creswell (2014) identified eight primary strategies that most researchers used to establish external validity. These strategies included triangulating different data sources, using member checking to confirm accuracy, using strong description to convey findings, clarifying the researcher’s bias, presenting negative information counter to the themes, spending prolonged time in the field, using peer debriefing, and using an external auditor to review the entire project (Creswell, 2016).

Creswell (2014) described triangulating as the process to obtain different data sources to substantiate data and to build a coherent justification for the theme. In this study, the researcher triangulated the data by employing participant interviews, member checking, and field-note recording of observations. Prior to commencing the study, the researcher initiated a process to interview four participants to assess the interview questions to determine if they were appropriate to address the research questions. The results of the interviews of these four participants were not included in the results of this actual study. Minor adjustments were made as result of the initial participant interviews, and the number was changed from 20 to 19 interview questions. Upon commencing the data collection, the researcher recorded field notes after the data collection process. The researcher documented observations of the participant’s reactions to the interview questions and the researcher’s perspective regarding the participant’s responses. The researcher used this information in determining themes and comparing the findings. Creswell (2016) indicated that recording field notes incorporated the process of documenting the researcher’s observation of the collection process including what is heard and what is felt. Yin (2014) asserted that participant observation is an important element in the data collection process. Upon completion of the data collection, the researcher initiated the process of member checking. Creswell (2014) noted that member checking was a useful strategy for external validity in a qualitative research. Member checking involved conducting a follow-up interview with the participants and providing them the opportunity to review and comment on the finding (Creswell, 2014). In this study, the researcher provided the information to the participants to verify the accuracy of their responses and to validate the data. The researcher used the initial participants interviews, the note-taking, and the member checking to triangulate the data in determining accuracy of the data.

Transition and Summary

The purpose of this research study was to explore the financial literacy and accountability of church leaders in black Baptist churches in the Mid-Atlantic Region of the U.S. In addition, the researcher explored the perspectives of the church leaders in fulfilling their financial stewardship responsibilities. Section 2 described the research methodology that was executed in a qualitative study, which was that of a case study research design. In addition to the inclusion of the research method and design, this section delineated the scope of the project, which included the following: role of the researcher, participants' rights and protection, population and sampling, data collection and analysis, and reliability and validity of the study.

In the next section, the details included the results of the study and its application in developing best practices for church leaders in fulfilling their financial stewardship responsibilities. Section 3 described the findings and identified any themes, patterns or other relationships noted during the data collection purpose. Ultimately, the researcher recommended areas for future study, summarized the results, and concluded the significant points of the research.

Section 3 – Application to Professional Practice and Implications for Change

Section 3 summarized the results of the study and its application to the accounting profession. In this section, the researcher presented an overview of the study, reported the results of the findings, described applications to professional practices, provided recommendations for action, and suggested recommendations for future study. In addition, the researcher described personal and biblical reflections of the study. Finally, the section concluded with the summary and conclusion of the research including information on how the study closes the gap in the literature.

Overview of Study

The purpose of this qualitative case study was to explore the financial literacy and accountability of the financial managers, church leaders, and pastors in black Baptist churches in the Mid-Atlantic region of the U.S. In addition, this case study included the exploration of church leader's perceptions of their responsibilities for the financial stewardship of the church. The study contributed to the growing body of research relating to the financial stewardship responsibilities of church leaders. Prior researchers have noted that financial managers, church leaders, and pastors have considerable responsibilities in overseeing the financial resources of the church (Ekhomu, 2015; Griffin, 2015; Lockett, 2014; Hicks 2012). The researcher interviewed financial managers, church leaders (trustees), and pastors who were responsible for the financial stewardship of the church's resources.

The study was designed to focus on two central research questions. The first question focused on the skills and experience of financial managers, church leaders, and pastors which revealed the ability of church leaders to meet the objective of financial literacy and accountability in managing the church's resources. The second question addressed church leader's perceptions of their financial stewardship responsibilities in overseeing the resources of the church's assets. Effective financial operations can assist churches in fulfilling their missions, avoiding legal liabilities, and eliminating misappropriation of financial resources (Ekhomu, 2015). In religious organizations, the financial managers, church leaders, and pastors are critical to the overall success of their financial operations (Ekhomu, 2015).

In this study, the researcher triangulated the data by employing participant interviews, member checking, and field-note recording of observations. Prior to commencing the study, the researcher initiated a process to interview four participants to assess the interview questions to determine if they were appropriate to address the research questions. The researcher made minor adjustments to the initial interview questions, and the number was changed from 20 to 19 interview questions. After commencing the data collection, the researcher recorded field notes and documented observations of the participant's reactions to the interview questions and the researcher's perspective regarding the participant's responses. Yin (2014) asserted that participant observation is an important element in the data collection process. Upon completion of the data collection, the researcher initiated the process of member checking. Creswell (2014) noted that member checking was a useful strategy for external validity in a qualitative research. Member checking involved conducting a follow-up interview with the participants and providing them the opportunity to review and comment on the finding (Creswell, 2014). In this study, the researcher provided the information to the participants to verify the accuracy of their responses and to validate the data. The researcher used the initial participants' interviews, the note-taking, and the member checking to triangulate the data in determining accuracy of the data.

The researcher contacted the pastors of nine churches to ask for their participation in the research study. However, the researcher was only successful in obtaining the consent of pastors from five of the nine churches. The five churches have memberships ranging from 100 – 2,000. After the pastors agreed to participate, the researcher asked the pastors to recommend additional participants within their church bodies. The researcher sent email invitations to the potential participants with the Internal Review Board (IRB) consent form and followed up with a phone call to discuss the invitation and to confirm an appointment time for the interview. Upon receiving the signed consent form, the researcher commenced with the interview process as scheduled. The data collection reached the point of saturation at 10 participants. However, the researcher desired to obtain additional participants to ensure the point of saturation was met. Therefore, this research study included 12 participants who were church leaders in black Baptist churches.

The researcher conducted one-on-one telephone interviews with 12 church leaders from five black Baptist churches in the Mid-Atlantic Region of the U.S. The participants answered 19 interview questions designed to capture their perspectives and awareness of financial stewardship responsibilities. The researcher recorded the interviews using an audio recorder, and then transcribed the data for analysis. In coding the data for confidentiality, the researcher assigned a code to each leader as Leader 1, Leader 2, Leader 3, Leader 4, Leader 5, Leader 6, Leader 7, Leader 8, Leader 9, Leader 10, Leader 11, and Leader 12.

The researcher used NVIVO, Excel, and Microsoft Word software to analyze the data and to identify themes. Through the data collection, the researcher identified five main themes. The major themes observed in the coding included background, fiduciary responsibilities, training for self, stewardship, accounting practices, and training for all leaders. The following paragraphs provide a detailed description of the results of the study.

Presentation of the Findings

This section disclosed the findings of this applied doctoral research project. The research study was designed to address two research questions. The researcher organized the discussion of the findings around each of the two questions. In addition, the results of this research study supplemented the existing body of literature discussed in the previous sections as appropriate.

The purpose of the research study was to explore the skills and background of the leaders in black Baptist churches in Mid-Atlantic Region of the U.S. The researcher interviewed 12 leaders from five different black Baptist churches in Mid-Atlantic Region of the U.S. Since the focus of this research was to explore the background, experience, and perceptions of the church leaders in fulfilling their financial stewardship responsibilities in overseeing the church’s financial resources and operations, the number of church leaders selected in the research study varied within each church. The participants’ responses to the interview questions and the developed themes are documented in the following sections.

Research Question One

The objective of the first research question was to explore the background of the church leaders in terms of age, education, professional occupation, skills, knowledge, and abilities. The interview questions were aligned to gather information about the church leader’s overall experiences that may equip them to implement their financial stewardship responsibilities over the financial resources of the church. The following is the first research question: What skills and experience have church leaders acquired to be financially literate and accountable?

Background. The researcher obtained general background information about each church leader to explore if there exists a relationship between the background information and their abilities to be financially literate and accountable. The general background information included age, education, professional work experience, leadership role in the church, and years of experience in leadership role of the church. Collecting the background information may help determine if the leader's background played a role in their effectiveness in implementing their financial stewardship responsibilities.

For the age category, the researcher collected the age in a range of categories versus obtaining the exact age of the participant. The researcher believed that some participants may be reluctant to revealed their actual ages; therefore, the information was collected using the following age groups in the research study: 30 (30-39), 40 (40-49), 50 (50-59), 60 (60-69), and 70 (70+). The breakdown of participants in the research study consisted of the following:

- 2 leaders (16.7%) - 30 age range
- 2 leaders (16.7%) - 40 age range
- 3 leaders (25.0%) - 50 age range
- 1 leaders (08.3%) - 60 age range
- 4 leaders (33.3%) - 70+ age range

As noted above, the majority of the participants (58.3%) were under the age of 60 with 41.7% of the participants residing in the 60-age range or higher.

The next category of the leader's background indicated their gender. In this research study, the gender comprised of the following:

- 7 leaders - Males
- 5 leaders - Females

Therefore, 58.3% of the participants in this research study were males and 41.7% were female.

The researcher then collected information regarding their educational background. The following are the categories and the number of leaders based on their highest level of achievement for the educational background.

- 0 leaders - High Diploma
- 2 leaders - (16.7%) Some College
- 4 leaders - (33.3%) Bachelor
- 6 leaders - (56.25%) Masters or Higher

The educational level was very relevant in understanding the leader's ability to comprehend financial information. Bernardo (2017) emphasized that education is a significant factor in determining qualifications, certification and proof of a job candidate's ability to perform their responsibilities. However, other research asserted that black church leaders tended to be less educated than other leaders in society (Lockett, 2014; Pew, 2014).

Next, the researcher gathered information about the leader's work experience in the secular world. The composite of work experience in the secular world included the following:

- 1 leader - Business Owner
- 2 leaders - Mental Health Specialists
- 2 leaders - Engineers (Managers)
- 2 leaders - Teachers
- 3 leaders - Accountants or Finance
- 2 leaders - Retail and Government Managers

Three (25%) of the leaders, as noted above, operated directly in the financial or accounting arena of their secular jobs. All of the leaders indicated they had financial responsibilities related to their professional roles. Ekhomu (2015) emphasized that most churches appointed financial managers who have little experience or knowledge in dealing with the financial operations. This study showed that 100% of church leaders, including the treasurers and finance members, had the skills or experience to oversee the financial operations of the church.

Then, the researcher collected information regarding the roles the church leaders served in their local churches. The scope of this research included pastors, trustees, treasurer, or finance members. The following is the itemization of the leaders in this research study:

- 3 leaders - Finance Members
- 2 leaders - Treasurer
- 2 leaders - Trustees
- 5 leaders - Pastors

In connection with their identified roles, the researcher desired to discover additional factors about their roles including whether they were paid employees or volunteers and the number of years they have served in their current roles in their churches. Six leaders were paid employees consisting of five pastors and one Treasurer. The volunteers represented 50% of the research participants. Excluding the pastors, only one participant received payment for his role in dealing the church's finances. The evidence proved to be consistent with prior research. Schneider (2012) expressed that most church leaders were volunteers. Schneider (2012) further stipulated that whether paid or volunteered, church leaders should have a clear expectation of the tasks, responsibilities, and accountabilities of their roles in serving God, the church, the members, and the community. Likewise, 100% of the participants recognized their fiduciary responsibilities in serving God, the church, its members, and the community.

Furthermore, the number of years of service ranged from 1 - 50 years resulting in a total number of years of combined service of 173 years with an average number of 14 years. The median is 8.5 years and the mode is 15 years of experience of leaders performing their financial responsibilities for the church. One of the primary reasons for collecting the background of leaders is to be able to determine if any of the factors in their background tended to contribution to their abilities to perform or their perspectives regarding implementing their stewardship responsibilities in their church. Therefore, the research revealed the majority of the participants were experienced in their roles.

Fiduciary responsibilities. After collecting the general background information of the participants, the researcher designed the next set of questions to explore the church leader's understanding of their fiduciary responsibilities in overseeing and protecting the church's resources. These questions included exploring the leaders' financial duties, discovering their knowledge of accounting principles and IRS regulations, and obtaining their perspective towards on-going training in the financial arena. The interview questions 3, 7, 8, 9, and 10 addressed the leader's experiences in fulfilling their fiduciary responsibilities.

In responding to the questions relating to their fiduciary responsibilities of their financial duties, participants answered research questions 3 and 7. Both questions were designed to obtain feedback regarding their responsibilities and their abilities to protect the church's assets. The range of responsibilities of fiduciary responsibilities comprised of leaders accepting full responsibilities for the church's resources; leaders overseeing or appointing the right persons in their roles and monitoring the financial status; and leaders identifying their functional roles such as processing checks or depositing funds. Ten (83.3%) of the 12 leaders recognized their full fiduciary responsibilities to carry-out the financial matters of the church. Leader 1 described his responsibility as implementing fiduciary responsibilities of the church over the monetary and property assets and any legal matters associated with the church. In addition, six (50%) of the 12 leaders expressed their roles to include providing oversight to financial teams to ensure they are complying with rules and regulations. Leader 9 stated he served as the spiritual and administrative chief executive officer in providing oversight to the financial ministry. Bernstein et al. (2016) noted that stewardship roles and responsibilities in organizations included selecting, supporting, and evaluating the chief executive and overseeing financial, ethical, and legal processes.

Only two of the 12 leaders viewed their roles as a functional responsibility such as processing checks, depositing funds, or processing payroll. Therefore, 83.3% of the church leaders recognized and accepted their full responsibilities in securing the church resources. The two leaders who did not see the full scope of their fiduciary responsibilities were the same gender, similar professional experience, and both served in their roles for eight years. However, they were in different age group, education level, and church roles. The researcher did not distinguish any correlation in their background that may have contributed to the manner in which they responded to the question by not recognizing their full fiduciary responsibilities.

Interview question 7 related to the church leader's abilities to protect the church's resources from fraudulent or other inappropriate financial acts. Ten (83.3%) of 12 leaders expressed their current experiences in analyzing the church's financial data and prior experiences or training on their secular jobs have equipped them to identify fraud, waste, abuse, misuse, mismanagement, or misappropriation in handling the church's financial resources. When addressing question 7, one of the remaining two leaders who did not indicate the ability to identify inappropriate acts, Leader 5, expressed the internal controls were so strong that fraud could never happen. Peters (2015) emphasized that overconfidence in the internal controls often lead to an overestimation of the controls and could result in fraudulent activities occurring. On the other hand, Leader 6, who acknowledged and accepted full fiduciary responsibility, noted leaders must understand financial procedures and reports and have annual audits to verify and confirm the money is in the bank. Leader 8 stated that President Reagan said “Trust, but verify.” The two leaders (16.7%) who indicated they did not have any experience to help detect fraudulent acts, served in the same role, had similar educational background, and were the same gender. However, they were in different age groups. Therefore, the researcher could not conclude their backgrounds influenced their responses. Prior research emphasized that church leaders have a fiduciary responsibility to the local church body to understand the financial aspects of the church and to protect the church’s financial resources (Rixon et al., 2014; Hollowell, 2016). This research substantiated that 83.3% of the church leaders recognized their full fiduciary responsibilities and felt qualified to perform their fiduciary duties.

Training. Interview questions 8, 9, and 10 related to the leader’s recommendations or requirements for financial or accounting training to increase their knowledge of financial literacy and accountability to effectively perform their stewardship responsibilities over the church’s resources. Eleven (91.67 %) of the 12 leaders indicated that continuous, on-going training is necessary, but not required, to stay abreast of rules and regulations for non-profit organizations. They recommended training or courses covering IRS rules, church operations, business environment, finances, accounting, money management, CPA guidelines, and advance technology for online giving. The one leader, leader 3, who indicated that additional training was not necessary, expressed that today, persons could find any information needed on the Internet plus the leader had over 40 years of experienced in performing accounting and financial responsibilities. Goodrich (2013) expressed that steward leaders recognized their own limitations and are open to learning from others. Furthermore, Taylor and Wagland (2013) emphasized that financial literacy is an overall problem, and suggested ongoing training to mitigate the problem.

In exploring their current level of knowledge, the researcher designed the interview questions to address the leaders' knowledge of Accounting principles and IRS regulations for the church. In addressing the generally accepted accounting principles (GAAP) as issued by the Financial Accounting Standard Board, four (25%) of the 12 leaders indicated they understood GAAP and ensured the church followed the accounting guidelines for nonprofit entities. Six (50%) of the 12 leaders indicated they did not have specific knowledge about GAAP, but they followed the church's written policies and procedures in implementing sound accounting principles and indicated that external CPA firms have validated their policies as sound accounting principles. Another four (25%) of the 12 leaders noted they relied on their external CPA to ensure they complied with GAAP. Leader 6 stressed the church must have written policies and procedures regarding the financial operations. Leader 6 emphasized the trustees and treasurer must understand their fiduciary responsibilities and should annually sign off to verify they understand those procedures and agreed to manage the monetary resources accordingly. Leader 6 stated, "I was at church once, and a Trustee got angry and took the money home to count and to put in the bank. That was inappropriate. One person should never handle the money alone." In general, all leaders understood the church should abide by written accounting policies and procedures. Peter (2015) noted church leaders should incorporate written policies and procedures in handling the financial affairs of the church to meet goals of the ministries. The leaders who were unfamiliar with GAAP acknowledged reliance on others with the expertise to ensure the church observed the applicable accounting standards and had written procedures in place for overseeing the accounting operations.

All 12 (100%) leaders indicated their church complied with the IRS regulations, and they had some awareness of the requirements. They expressed compliance in terms of using the donations to support the needs of the community, charitable work, and missions. They indicated the church filed employer's quarterly taxes, 1099s, and W-2s. The leaders noted the church maintained supporting documentation and send out annual contribution statements. They also noted the church must follow the proper IRS rules in accounting for the pastor's housing allowance. Leader 5 noted the external CPA ensured they maintain compliance. Drucker et al. (2012) expressed leaders should be aware of the tax rules and regulations to protect the church from potential legal consequences imposed by the IRS. These leaders understood the need to comply with IRS regulations and emphasized their churches did comply with the IRS regulations.

Analysis. The information contradicted other research, which indicated black Baptist church leaders did not have an adequate level of financial education to be oversee their fiduciary responsibilities (Griffin, 2015; Ekhomu, 2015). Overall, all participants had some college level courses with 83.3% of the leaders with a least a bachelor degree or higher. In this study, all leaders (100%) recognized the importance of the church complying with rules and regulations such as the IRS regulations. In addition, the majority of the leaders (91.7%) acknowledged that regular, on-going training was necessary to stay abreast of rules and regulations.

Research Question 2

The objective of the second research question was to explore the leader's perceptions of their stewardship responsibilities from a financial and biblical perspective. The researcher designed the interview questions to collect information about the church leader's beliefs regarding leader's responsibilities in implementing stewardship responsibilities in managing the church's resources. The following is the second research question: What are the perceptions of the church leaders regarding their financial resources?

Stewardship. In answering the interview question regarding financial stewardship addressed in interview question 1, eight leaders (66.7%) acknowledged their beliefs that church leaders are fully responsible for all aspects of the financial operations of the church. Three leaders (25%) perceived financial stewardship as tithing. One leader (8.3%) expressed a limited view of financial stewardship in relationship to leader's functional financial responsibilities such as paying vendors, mailing contribution statements, and verifying the accuracy of financial data. Randa (2012) emphasized that stewardship includes both the giving side and the overall accountability of God's property that He has entrusted to Christian leaders.

In responding to biblical stewardship addressed in interview question 2, eight leaders (66.7%) viewed biblical stewardship as both tithing and providing excellent oversight of the monetary resources for the building of God's kingdom by giving to the community, foreign missions, and the poor. Leader 9 noted the church's financial ministry used the reference from Luke 12:42-43 when Jesus taught about being a faithful and wise manager. Luke 12:42-43 (NIV) states,

> The Lord answered, 'Who then is the faithful and wise manager, whom the master puts in charge of his servants to give them their food allowance at the proper time? It will be good for that servant whom the master finds doing so when he returns.'

Four leaders (33.3%) only indicated that tithing is considered biblical stewardship. Linginfelter (2015) emphasized that stewardship involves more than just tithing, because it incorporates everything God has entrusted to Christians to use, enjoy, and care for.

Interview questions 3 through 8 expanded the focus of financial and biblical stewardship to further explore the perceptions of the church leaders in implementing sound internal controls or strong financial practices to achieve financial stability. The scope of these activities included leader's decision-making ability, protecting and securing the church's resources, implementing strong financial practices, acquiring training resources, responding to acts of fraudulent or inappropriate activities, and re-acting to other church's bad publicity of fraudulent activities. In making financial decisions for the church, addressed in interview question 3, eight leaders (66.7%) noted they played an integral role in the financial decisions of the church. Three leaders (25%) acknowledged a limited role in decision-making process such as decisions in obtaining quotes from contractors to provide services. One leader (8.3%) relied on persons with the financial expertise to contribute to the decision-making process. All leaders emphasized the congregation must vote on any major decision-making proposals or recommendations. Hillman (2013) verified that church members used a democratic process and voted on all major decisions of the church's financial operations.

In responding to the interview question 4 regarding responsibilities to protecting the church's assets, 12 leaders (100%) acknowledged all leaders have some responsibilities to protect and secure the church's resources. In addition, nine leaders (75%) noted the trustees are primarily liable for securing the church's resources. Furthermore, two leaders (16.7%) emphasized all members shared in the responsibilities to protect the church's resources. Similarly, Foohey (2014) confirmed the trustees have the primary responsibility for overseeing the financial operations in Baptist churches. Additionally, Leader 8 expressed,

> Everybody, every member, in the church has a responsibility in maintaining the resources of the church. Not every member may choose to accept the role, but it is everybody

> responsibility to make sure that the monetary resources are handled properly. That is why we take everything to the church for a vote.

In dealing with fraudulent activities addressed in interview questions 7 and 8, the leaders addressed their responsibilities in taking the necessary actions in handling the offender. For interview question 7, all leaders (100 %) acknowledged they would take some type of actions to deal with the offender. These actions included verifying the facts, confronting the offender, briefing the church leaders about the fraudulent or other inappropriate act, and depending on the significant of the offense they may communicate the information to the church. Furthermore, three leaders (25%) indicated they would consider engaging external law enforcement to consider legal actions if the offense is significant. On the contrary, Leader 11 noted the church should keep the offense within the body of believers. In addition, Leader 12 stated she would "Pray" before initiating any actions. Free and Murphy (2015) and Kummer et al. (2015) stipulated the religious bonds between members in the church often led to church leaders protecting the perpetrator.

In addressing interview question 8 regarding the leaders' reactions to other churches experiencing negative publicity from fraudulent acts of churches, all leaders indicated they would feel bad about the situation. Leader 2 emphasized one small mishap can hurt a whole congregation. Furthermore, they all noted they would review their internal controls to identify any weaknesses that may have been similar. Likewise, Peter (2015) acknowledged strong accounting and internal controls are critical to the financial operations and help to reduce the risk of fraud, mismanagement and abuse.

Overall, the leaders understood and accepted their financial and biblical stewardship responsibilities. Although three leaders (25%) viewed biblical stewardship as the monetary component of stewardship, they responded positively to acknowledging their overall financial stewardship responsibilities. Reflecting on God's command for stewardship, Jesus told the parable of the talents in Matthew 25 and all except one person invested their money wisely. The one person responded foolishly and did not invest his money. Therefore, the person was left with nothing. Matthew 25: 26 - 30 (ESV), states,

> But his master answered him, 'You wicked and slothful servant! You knew that I reap where I have not sown and gather where I scattered no seed? Then you ought to have invested my money with the bankers, and at my coming I should have received what was my own with interest. So take the talent from him and give it to him who has the ten talents. For to everyone who has will more be given, and he will have an abundance. But from the one who has not, even what he has will be taken away. And cast the worthless servant into the outer darkness.

If we mismanagement God's resources, we may be left with nothing. The leaders expressed their commitment and dedication to pursue excellence in fulfilling their stewardship responsibilities. Leader 10 stated,

> Financial stewardship from a biblical perspective is for the purpose to ensure that the Church has the means to carry-out the mission of the church, which is to spread the gospel as far as possible, and to ensure that the members of the church are taken care of, if needed. In the scripture, the Apostles appointed jobs to others to help with the needs of the believers in the household. In my overall leadership, I must ensure that the gospel goes forth and the member's needs are met from a biblical perspective.

Accounting practices. Understanding the parameters of best practices in dealing with financial matters, the researcher devised interview question 5 to explore the leader's perceptions in implementing sound accounting practices. These practices included providing quarterly financial reports, engaging external CPAs to audit the financial statements, and establishing segregation of duties. In each of the three areas, 12 leaders (100%) viewed these activities as very important in implementing sound financial practices. In submitting quarterly financial reports, Leader 2 expressed it was a good practice, but his church only provided annual financial reports to the church members. In addressing an external CPA firm to perform an annual audit, Leader 9 stated,

> It is critical. It is necessary to keep the body updated on its financial health and how it is using the money that is given to the church. It holds the financial officers accountable to make certain that they are being good stewards over the money that they have received.

In responding to segregation of duties, Leader 10 noted the church has adequate segregation of duties, but should change financial persons periodically to obtain new ideas. In summary, all leaders (100%) recognized the importance of implementing sound accounting practices. On the contrary, Griffin (2015) conveyed most churches lack adequate accounting practices and procedures to support financial accountability.

Training. Next, the researcher constructed interview question 6 to explore, the church leaders' perceptions about the need for financial training for all church leaders. A similar interview question was addressed with research question 1, which inquired about the specific individual leader's need for training. This interview question addressed the church leaders' perceptions of financial training for all church leaders not just themselves. All leaders (100%) emphasized church leaders should receive on-going financial training dealing with finances and budgets. Leader 10 expressed,

> We have more educated and experience professionals in the church. Their professional skills and experiences are the beginning of ministry skills and abilities. Persons well-versed and experienced in financial matters should be open to identifying classes and training for others in the financial ministry of the church. For example, a person who has the skills of a CPA and who has prepared financial statements for corporations and government, possess the requisite skills to carryout accounting and financial roles. Likewise, there should be designated roles and distinctions for those doing budget, accounting and financial functions, which are distinct but necessary financial management functions. The church needs all three. A person who knows the difference can identify the courses, schools, and other training and identify cost for the courses for persons to take training to improve their skills. This person should set in motion in the by-laws, regulations, and procedures the necessary requirements for each person to take training. The cost for training should be shared (e.g., church 50% and the designated person pay 50%).

Similarly, Barry (2013) stated policymakers and financial experts have the power and the tools to initiate change for educating persons in financial affairs. Taylor and Wagland (2013) noted the private sector and government encouraged the development of financial education programs as a critical tool in remedying the detected low levels of financial literacy in the U.S. Churches could benefit in ensuring church leaders obtained ongoing training to stay financially literate and accountable in managing the church's resources.

Promoting good stewardship. The purpose of the final interview question was to allow the leaders to freely express their ideas about promoting good financial stewardship responsibilities of church leaders. All leaders suggested ideas to promote church leaders in implementing good financial stewardship responsibilities. These suggestions included on-going training, hiring qualified persons, and recognizing all church leaders are managing God's resources. The researcher selected three (25%) of the recommendations from the church leaders to disclose in this research document regarding good stewardship over God's resources. Leader 4 emphasized,

> When persons are placed in financial positions, you need to make certain that their own financial responsibilities are in order. The Bible says if you cannot run your own home, how can you do God's business. You should observe people and must make certain that people over the church's finances are not in personal financial difficulties with high debt. Churches at times place people in positions in the church due to their high positions in the secular world, but the church needs to make certain that the person's personal finances are in order and they are paying their own bills.

Leader 8 stated,

> I pride myself on understanding that the church's resources are God's resources. When I was a child, my mom always emphasized it is about God's business. Whether it is the monetary part or not monetary part, to see the church grow is awesome. It is not about the building of the church, but it is about the overall members of the church.

Leader 9 expressed,

> All pastors regardless of their education or age should make sure that they are educated on financial practices. The church should fully support and encourage, that at a minimum or every other year, to make sure that the spiritual leaders and financial administrators, treasurers, and other financial persons that they stay current on the financial practices required for the church. That would go a long way.

Analysis. The participants in this research study appeared to understand their stewardship responsibilities from both financial and biblical perspectives. They acknowledged their education and secular jobs have equipped them to effectively and efficiently manage the church's resources. The participants supported strong accounting controls and abiding by written policies and procedures. Furthermore, they recognized the need for ongoing training to stay abreast of current rules and regulations.

The findings were inconsistent with reviewed literature, which revealed that most black Baptist church leaders are unqualified to effectively provide financial stewardship over the church's resources. Ekhomu (2015) conveyed that most churches appointed financial managers who have little experience or knowledge in dealing with the financial operations. Lockett (2014) noted that black church leaders have lower levels of education, and may not possess the skills, experience, and knowledge to make sound financial decisions. Furthermore, the U.S. Religious Landscape Survey revealed 16% of black Baptists graduated from college (Pew, 2014). This research revealed 83.3% of the participants had college degrees. In addition, all participants indicated they had the education or experience which equipped them to oversee the financial operations of the church.

Enofe and Amaria (2013) noted some churches do not employ the services of accountants nor do they have qualified staff to oversee the financial operations of the church. In this study, the participants from the five churches revealed their churches engaged the services of qualified accountants or church leaders to assist with accounting transactions and to validate written policies and procedures. In addition, Vann (2015) asserted churches often considered the biblical qualifications of persons such as spiritual maturity and saintly character when selecting persons to serve in leadership roles (Vann, 2015). While the spiritual aspect is important, the financial qualification of church leaders is equally important to protect the resources of the church. The leaders in this research recognized the importance of both the spiritual and financial aspects of protecting God's resources. The sample size of this study is a small representation of the population. Therefore, the results of this study may not be representative of the entire population of all churches.

Applications to Professional Practice

In this study, the researcher explored the financial literacy and accountability of church leaders in carrying out their financial and biblical stewardship responsibilities to fulfill God's vision and the mission of the church. This research added to the existing literature regarding church finances (Griffin, 2015; Foohey, 2014; Rixon et al., 2014; Ekhomu, 2015). Enofe and Amaria (2011) noted most churches do not hire qualified individuals to oversee their financial operations. However, this research revealed some church leaders possessed the necessary knowledge to carry out their financial stewardship responsibilities. Furthermore, most of the research participants recognized the importance in hiring qualified persons to oversee the financial operations, and they acknowledged that churches should engage an external Certified Public Accountant (CPA) to perform an audit. Whittington and Pany (2012) emphasized the accounting profession in American is capable of providing a broad range of services to the American public, including religious institutions.

Accountants and auditors provide services for churches that may include, but are not limited to, financial statement audits, compilation reports, tax preparations, investment advice, and accounting consultations (Enofe & Amaria, 2011). Acquiring expertise in a variety of financial areas, accountants can use their skills to improve the overall financial operations of the church (Enofe & Amaria, 2011). Ruhl and Smith (2012) conveyed that no regulatory bodies existed that held churches accountable for their financial activities except the IRS in some limited circumstances. Griffin (2015) expressed the inability of churches to provide accurate financial information to its stakeholders led to ineffective operations and misused of funding to support ministries. As volunteers or employees, church leaders should be knowledgeable regarding the risks associated with churches and be prepared to offer services to help churches sustain their missions and to embrace strategic stewardship and accountability. Because they are operating in an evolving economy, churches could benefit by ensuring church leaders received on-going training in the financial affairs of the church. In addition to having an annual audit, CPA firms can offer training, conferences, or seminars for church leaders to stay abreast of current financial rules, regulations, and laws. This research provided additional awareness of the necessity for churches to hire qualified accountant and to promote regular training in financial stewardship for all church leaders.

In this research study, Leader 2 noted that during their leadership training they used Apostle Paul as an example of good stewardship. Ephesian 4:11-12 (KJV) states, "And he gave some, apostles; and some, prophets; and some, evangelists; and some, pastors and teachers; for the perfecting of the saints, for the work of the ministry, for the edifying of the body of Christ…" Paul emphasized that Christ appointed church leaders to equip the members for ministry and church growth. Randa (2012) expressed that pastors and church leaders needed to teach biblical principles of stewardship to help promote the financial stability of the church. I Peter 4:10 (ESV) states, "As each has received a gift, use it to serve one another, as good stewards of God's varied grace." God has gifted the church leaders with the ability to carry out the operations of the church ministries. In exhibiting good stewardship in overseeing the church's resources, church leaders should initiate processes to secure the church’s resources and to provide financial reports to its members (Crawford, 2013).

Moody and Achenbaum (2014) stated that Christian leaders should seek to protect and reserve God’s creation as faith stewards. Psalm 24:1(KJV) states, “The Earth is the Lord’s and the fullness thereof; the world, and they that dwell therein.” Christian leaders should be mindful of doing the will of God in performing their duties and responsibilities for the advancement of God’s Kingdom (Devries, 2016). Implementing sound financial practices, church leaders can utilize finances to create ministry opportunities in pursuing God’s will. In fulfilling their stewardship responsibilities, church leaders should remember to be good stewards of God’s resources. This included implementing the necessary internal controls to protect and secure the financial resources.

Recommendations for Action

In exploring this research study, the researcher discovered several interesting ideas that could be instituted as best practices for not only black Baptist churches but other religious organizations as well. These best practices could be beneficial to religious institutions in promoting strong financial operations and in positioning the church to effectively utilize its resources to fulfill the mission of the church and to strive to pursue God’s vision for the church. Some of these best practices may include churches implementing the following actions:

- educating the congregation or stakeholders regarding financial matters
- engaging an external CPA to audit the financial statements;
- requiring the church leaders to attend financial training on an annually basis;
- holding monthly financial meetings with the financial team;

- reviewing the financial policies and procedures with the financial team on an annual basis;
- requiring the financial team to sign off on their adherence and understanding of those policies and procedures, annually; and
- establishing adequate segregation of duties.

Some of the aforementioned actions were already in place for the churches that participated in the research study. The researcher would not expect every religious institution to implement every recommended action. However, churches should develop a strategic plan, which would position the church leaders to become financially literate and accountable in overseeing their financial stewardship responsibilities in managing the church's resources. Most Baptist churches belonged to global organizations that facilitate gatherings, fellowships, and conferences. These organizations included, but are not limited to, National Baptist Convention, Baptist General Convention, or the Northern Virginia Baptist Convention. As an accountant, the researcher would communicate the feedback of best practices through their annual conferences or publications.

To initiate strong financial processes, churches should take an inventory of the leader's skills and background to ascertain the leaders are equipped to handle the financial resources of the church. Brotherhood (2015a) published a guide that churches could use to provide guidance in assessing the leaders' financial skills and helping to identify gaps to determine training for minimizing risk in financial management. If leaders lack the financial ability to perform their financial stewardship responsibilities, then churches should engage the services of qualified accountants to oversee the financial operations and promote training for the leaders (Enofe & Amaria, 2011). Next, church leaders should review their financial processes and draft a financial manual to establish the policies to govern the church's money (Brotherhood, 2015b). The financial manual should incorporate all of the critical elements of handling the church's funds including, but not limited to, the following: collection and deposits of money; bank requirements; budgetary processes and restrictions; recordkeeping; designation and use of restricted funds; financial statement reporting; engaging financial audits; establishing legal obligations, and handling of other financial matters (Brotherhood, 2015b; Tysiac, 2013a). In addition, churches should document their financial procedures in recording transactions in their financial systems and paying obligations (Tysiac, 2013a).

In considering segregation of duties in the handling of finances, churches should ensure two or more capable persons are involved in every financial process (Brotherhood, 2015b; Tysiac, 2013a). They should specifically identify the persons who have the authority to enact legal transactions on behalf of the church (Peters, 2015). In dealing with contracts, churches should require multiple non-related leaders to sign and negotiate contracts (Brotherhood, 2015b; Peters, 2015). In counting the Sunday offerings or other deposits, churches should ensure all collections are deposited and handled by two persons (Lockett, 2014; Ekhomu, 2015). No person should ever be left alone with monetary offering (Lockett, 2014). In handling the check writing process, churches should ensure every check has a valid voucher to include the signatures of the requestor and a ministry leader (Griffin, 2015). Furthermore, two independent persons should sign every check. The bank reconciliation should be performed by a person who did not sign nor issue the check (Kramer, 2015). If organizations such as churches have not implemented these areas of segregation of duties in dealing with the church finances, they should establish these basic internal controls to protect the church's resources (Kramer, 2015).

Prior to initiating this study, the researcher believed that frequent communication with stakeholders or members regarding detailed financial information would be beneficial to the church and would help promote trust within the congregation. Three of the 12 participants in the research study noted that too much financial information provided to stakeholders with minimum financial literacy skills tended to add confusion to the church's operations. Therefore, they recommended to communicate only summary information that would provide sufficient data to ensure the stakeholders the church leaders are managing the funds for the intended purposes. Similarly, another participant recommended the membership should be trained on financial matters as well. In comprehending this information, the researcher agreed both recommendations would help to minimize confusion regarding financial data and would position the church leaders to make sound financial decision. As noted in the research and literature, the Baptist churches required a vote from the congregation to effectual financial matters (Hillman, 2013; Buschart, 2016). Therefore, the more educated the members are, the chances increased that they would support financial recommendations presented by qualified church leaders.

Another action that could promote sound financial operations is engaging an external CPA to audit the financial statements. The participants clearly agreed that churches should have external audits even though no regulatory agency or requirement existed that would mandate the church to have an audit. Enofe and Amaria (2011) asserted that engaging an external CPA to perform an audit would improve the overall financial operations of the church.

The other areas identified as best practices related to strengthening the financial literacy and accountability of the church leaders in overseeing their financial stewardship responsibilities. One of these actions included requiring church leaders to attend training annually to stay abreast of any new financial rules, regulations, or laws that may impact the church. Taylor and Wagland

(2013) expressed church leaders should have additional training to alleviate the problem of financial literacy. Wise (2013) further noted most organizations failed due to the lack of financial literacy of leaders. Therefore, it is recommended that churches support and require church leaders to have regular on-going training at least annually.

Other best practices relating to the church leaders included their communication, internal processes, and performance of their financial responsibilities. Holding monthly financial meetings with the church leaders could improve the communication and decision-making processes regarding financial matters. In addition, churches should implement policies and procedures that incorporated segregation of duties. Churches should make certain that church leaders should review the policies and procedures annually to determine if changes are needed, and leaders should sign-off to ascertain they understand the processes. Free and Murphy (2015) contended a lack of sound internal controls provided an opportunity to perpetrate fraud. To mitigate the risk of fraud, abuse, mismanagement, or misappropriation, church leaders should establish sound internal controls over the financial processes of the church.

Recommendations for Further Study

This research primarily focused on the financial literacy and accountability relating to the knowledge, skills, and abilities of church leaders to oversee the financial operations and to exhibit strong stewardship responsibilities in protecting the church’s resources in black Baptist churches. In addition, the researcher used a qualitative case-study method to explore the knowledge, skills, and abilities of church leaders. Other research could be conducted utilizing a quantitative method to conduct a survey of the stakeholders or church members to evaluate their perceptions of church leaders’ performances in overseeing their stewardship responsibilities over the resources of the church. The current research focused on the leaders’ perceptions of their abilities to perform their stewardship responsibilities. Exploring the stakeholder's perspective could provide useful information to churches in understanding the expectation of its membership. Research has revealed that a correlation may exist between members' contributions and the members' beliefs in the performance of church leaders' stewardship responsibilities in managing the church resources (Randa, 2012; Lockett, 2014; Griffin, 2015).

Another area of research could be conducted to evaluate the effectiveness of church leaders' performance in implementing sound internal controls to protect the resources of the church. With a quantitative approach, the research could determine the financial accountability of church leaders by assessing those churches that are required or chose to file the IRS Form 990 versus those churches that are not required to submit the IRS Form 990. Schrant (2012) and Trussel (2013) noted churches that submit Form 990 generally have stronger internal controls over financial processes and prepare regular financial statements. The current research did not focus on the specific submission of this form to the IRS. The researcher did inquire about compliance with IRS rules and regulations. All participants did indicate the church did comply with any applicable IRS rules. However, the participants did not indicate if they were required to submit the IRS form 990. Generally, most churches are not required to submit Form 990 unless they received certain governmental benefits or other conditions existed, which would require the church to file Form 990. The researcher did not focus on this area, because it was outside of the scope of the current research. However, it would be beneficial for churches to understand if they were subject to any regulatory oversight such as the IRS, their financial operations may be enhanced.

An additional recommendation for research could include a study that extended beyond those of Baptist churches with predominantly black members. It is unknown if there is a correlation between other denominations and black Baptist denominations in selecting leaders with the skills, knowledge, and abilities in performing their stewardship responsibilities. This research study focused on black Baptist churches in the Mid-Atlantic Region of the U.S. Griffin (2015) and Enofe and Amaria (2011) expressed that denomination may not be a factor in exhibiting poor financial oversight in churches. They noted Catholics as well as Baptists have experienced inappropriate acts in financial matters due to lack of adequate stewardship responsibilities (Griffin, 2015; Enofe & Amaria, 2011). Researchers could study another denomination to add to the literature regarding financial stewardship responsibilities for other religious organizations.

A further recommendation for future research is to conduct a similar study in another geographic area. In this study, the sample of participants was limited to the Mid-Atlantic Region of the U.S. Based on the 2017 survey, this region included states which have the highest level of educated persons residing in the states (Bernardo, 2017). Therefore, future research in different geographic areas replicating the focus of this research may or may not reveal similar results.

Another area of consideration for future study could include churches with a larger or smaller membership base. This research focused on churches with 100 to 2,000 members. It is unknown if the results of this research would be similar for churches with a larger membership base. The National Congregations Study revealed that churches with less than 100 members represented 16% of church goers, churches with members between 100 to 2,000 represented 75%, and churches with members above 2,000 represented 9% of U.S. Protestant and other Christian churches by size, excluding Catholic/Orthodox (Hartford, n.d.). The research could reveal different results for smaller or larger churches.

As a final recommendation in undertaking future research, the researcher should include the collection of the type of degree and the church leader's major. This research collected information about college education, but did not focus on the participant's major in college. As revealed in this research, 83.3% of the church leaders had a college degree. It is unknown what the subject area is or whether the subject had an impact on the outcome. Originally, the researcher viewed a person with a degree as having the capability of learning and recognizing when they would need to engage an expert to assist with the financial processes. As Bernardo (2017) noted, education is a major factor in determining qualifications and the person's ability to perform their responsibilities.

Reflections

Pursuing this research study was very important to me as a Christian who had been actively engaged in managing God's resources. I had served in the capacity of treasurer, financial manager, and trustee in black Baptist churches. In my secular occupation, I am a certified public accountant, and had worked for public accounting firms, private entities, and government organizations. In my current position with the Federal government, I am the associate chief financial officer and oversee the financial operations with over $18 billion in assets. I count it as a blessing and an honor to be able to utilize my gifts and talents to protect and secure the resources of the church. Nevertheless, serving as a church leader in a black Baptist church can be more challenging than working in the secular world. As noted in the research literature and study, the Baptist churches operated under the authority of the membership vote. Therefore, many of the actions relating to the financial operations of the church required the membership as a majority consent to the action. The challenges arrived when members may not have the expertise to make the best decision in the financial interest of the church.

Prior to beginning the research study, I thought most church leaders lacked the necessary skills or knowledge to make sound financial decisions. However, the research revealed all 12 participants had at least some college level courses with the majority of the leaders having a bachelor's degree or higher. In addition, all of the church leaders had professional positions in the secular world, which provided them with some level of experience in managing finances. Additionally, I was very encouraged to discover all of the leaders understood the significance of managing God's resources. The research revealed the church leaders are qualified to manage God's resources; however, the difficulties may arrive in the manner in which the authority of the church leaders is limited due to the requirement of obtaining the vote of the membership in making financial decisions.

In my past work experience as a public accountant who audited nonprofit entities (other than churches), I witnessed the struggles of several nonprofit entities due to their lack of appreciation for accounting and financial transactions. Often, nonprofit entities focused on the mission of the organization, and they neglected to hire qualified persons to handle their accounting operations. Serving as a church leader, I observed that churches relied on members to serve as volunteers to manage their accounting operations and to propose financial decisions for the membership consideration. As noted in my research, even though the majority of the participants were volunteers and not paid, they still were fully committed in providing excellent services and acting in the best interest of Christ in managing the churches resources to meet the mission of the church. All of the participants recommended on-going training for church leaders to stay abreast of the laws, rules, and regulations the church may be subject to. In addition, the participants emphasized the importance of engaging experts to obtain financial advice or guidance, if necessary. Furthermore, all participants supported the practice of having an external auditor or CPA to audit the financial statement to validate the financial data and to provide recommendations for improvement.

The financial health of the church is critical in fulfilling its mission and meeting God's will in the lives of its members. Managing finances of the church is the business component of God's operations. Van Duzer (2010) noted that God made businesses to provide services and goods to enable the community to flourish and to provide opportunities for employees to utilize their gifts and talents. Whether paid or a volunteer, the church leaders pursued the challenges in balancing the business requirements of the church with advancing the kingdom of God. Van Duzer (2010, p. 141) stated, "Business decisions require a step-by-step walk through a muddy field trusting that at the end of the day God's grace will wipe away the dirt."

As Christians, church leaders should embrace free markets, capitalism, and the institution of business as structures that can give order to God's world and provide a framework in which it can flourish (Van Duzer, 2010). Church leaders should seek to serve God in performing their duties and responsibilities to enable the church to flourish. In performing their financial responsibilities, church leaders should seek ways to transform the finances for the building of the kingdom of God. In performing this research study, I was enlightened by the compassion of the church leaders' desires in securing and protecting God's resources. They understood they were working for a higher calling. As leaders, they have the ability to effectuate change and to propose decisions to enhance the advancement of the church for God's pleasure.

Summary and Study Conclusions

In summary, the researcher explored the church leaders' abilities to be financially literate and accountable to fulfill their financial stewardship responsibilities in overseeing the church's resources. Twelve church leaders from five different churches participated in the research study. The researcher selected participants from black Baptist churches located in the Mid-Atlantic Region of the U.S. Prior research reflected that often church leaders lacked the education and financial expertise to effectively manage the church resources (Enofe & Amaria, 2011; Lockett, 2014). This research expanded the existing research regarding church leaders' responsibilities in overseeing the financial operations of the church.

The results of this research reflected that church leaders are educated, and they recognized the importance in acquiring the necessary training to stay abreast of new financial requirements. The researcher discovered the participants resided in a state, which was rated in the top 10 states of highly educated persons (Bernardo, 2017). Perhaps, the fact all participants had some level of college education played a factor in their abilities to recognize their responsibilities to implement their financial stewardship roles and to receive training to stay abreast of current financial initiatives. Enofe and Amaria (2011) emphasized churches must seek opportunities to train the leaders in a manner that would increase financial accountability in the church.

In addition to supporting on-going training, the church leaders promoted practices that would further strengthen their abilities to secure the church's resources. For example, all of the church leaders advocated the need to have external financial statement audits performed by CPA firms. The church leaders further supported providing regular financial status to the congregants. The majority of the church leaders in this research study recognized that financial stewardship is a biblical mandate, and they must be faithful stewards in managing the church's resources. Barnes (2013) and Crawley (2014) expressed Christians should observe stewardship practices in their application and oversight of administering the church's finances.

Managing the church's resources fosters the business component of the church, which is necessary to feed a hungry world and bring healing to the broken (Van Duzer, 2010). In Genesis 41, God positioned Joseph to implement effective stewardship over resources of the land. Gen 41:39 (KJV) states,

> And Pharaoh said unto Joseph, Forasmuch as God hath shewed thee all this, there is none so discreet and wise as thou art: Thou shalt be over my house, and according unto thy word shall all my people be ruled: only in the throne will I be greater than thou. And Pharaoh said unto Joseph, see, I have set thee over all the land of Egypt.

During the seven years of harvest, Joseph saved a fifth of all goods to preserve the resources for the future to feed the people when the seven years of famine occurred. Joseph served as an effective steward over the resources that God appointed to him. As a result, Joseph saved the Egyptians and Israelites from starvation. Joseph demonstrated one of the best biblical examples of stewardship responsibilities over the resources of the land.

In today's global society, black churches collected billions of dollars annually from church members to support the missions of the church (Barber, 2015). Randa (2015) stated church leaders should align their conduct, motives, and actions to manage God's resources in an effective and efficient manner. As reflected in this research, all of the participants recognized that God is the true source of ownership of all of our resources. The participants emphasized that as church leaders, they should exhibit strong financial stewardship in overseeing the resources to enhance the church's missions and goal.

References

Abdel-Khalik, R. (2010). Fair value accounting and stewardship. *Accounting Perspectives, 9*, 253-269. doi: 10.1111/j.1911-3838.2010.00013.x

Alexander, A. (2012). Challenges and opportunities with nonprofits. *Accounting Today, 26*(2), SR22-SR23.

Ali, S. A. (2012). Re-defining stewardship? *Journal of Financial Crime*, *19*(2), 207-212. doi: 10.1108/135907912112204580

Avent, J. R., & Cashwell, C. S. (2015). The black church: Theology and implications for counseling African Americans. *The Professional Counselor*, *5*(1), 81-90. doi: 10.15241/jra.5.1.81

Baptist Training Union. (2016). Baptists and the Bible. *Baptist Training Union Series*, 5-11.

Barber, K. H. (2015). Whither shall we go? The past and present of black churches and the public sphere. *Religions, 6*(1), 245-265. doi: 10.3390/rel6010245

Barnes, S. L. (2013). Black church giving. An analysis of ideological, programmatic, and denominational effects. *Sage Open, 3*(2), 1-10. doi: 10.1177/2158244013490706

Barry, J. S. (2013). Fostering financial literacy through education. *The CPA Journal*, *83*(10), 7.

Bateman, H., Eckert, C., Geweke, J., Louviere, J., Thorp, S., & Satchell, S. (2012). Financial competence and expectations formation. *The Economic Record*, *88*(280), 39-63. doi: 10.1111/j.1475-4932.2011.00766

Baxter, P., & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report, 13*(4), 544-559.

Bay, C., Catasus, B., & Johed, G. (2014). Situating financial literacy. *Critical Perspectives on Accounting, 25,* 36-45. doi: 10.1016/j.cpa.2012.11.011

Bayou, M. E., Reinstein, A., & Williams, P. F. (2011). To tell the truth: A discussion of issues concerning truth and ethics in accounting. *Accounting, Organizations, and Society*, 109-124.

Bernstein, R., Buse, K., & Bilimoria, D. (2016). Revisiting Agency and Stewardship Theories. *Nonprofit Management and Leadership, 26*(4), 489-498. doi: 10.1002/nml.21199

Bilkins, B., Allen, A., Davey, M. P., & Davey, A. (2015). Black church leaders' attitudes about mental health services: Role of racial discrimination. *Contemporary Family Therapy, 38*(2), 184-197. doi: 10.1007/s10591-015-9363-5

Black Boston Churches and faith based organizations. (n.d.). Retrieved October 8, 2016 from http://boston.blacksoftware.com/churchinfo.html#church

Brice, T., & Hardy, K. (2015). Introduction: Special issue on the black church and social reform. *Social Work & Christianity, 42*(3), 275-279.

Brookstone, B. (2015). Nebraska's LB 675: The path to rescinding religious property tax exemptions. *The Tax Lawyer, 68*(4), 809-826.

Brotherhood Mutual Insurance Company. (2015a). *The new big book of checklists: Risk management checklists for ministries*. Fort Wayne, IN. Retrieved from https://www.brotherhoodmutual.com/resources

Brotherhood Mutual Insurance Company. (2015b). Church fraud exceeds what churches give to missions. *Resources/Ministry Safety.* Retrieved from http://www.brotherhoodmutual .com/index.cfm/resources/ministrysafety/article/church-fraud

Buschart, D. (2016). Leadership. *Paethos Library.* Retrieved from http://www.patheos.com /Library/Baptist/Ethics-Morality-Community/LeadershipClergy?offset=1&max=1

Butterfield, J., Sasser, H., & Smith, R. (2012). The parsonage exemption deserves broad protection. *Texas Review of Law & Politics, 16*(2), 251-272.

Chavis, B. (2012). *Black American church amazing grace.* Retrieved from http://washingtoninformer.com/index/php/financial-literacy

Church account deposits were includable in minister's gross income. (2011). *Practical Tax Strategies, 87*(1), 37-39.

Clark, G. L. (2014). Roepke lecture in economic geography-financial literacy in context. *Economic Geography, 90*(1), 1-23.

Crawford, E. D. (2013). Serving them is killing me: Using technology as a vehicle for self-care for bi-vocational pastors in the black church (Order No. 3554026). Available from ProQuest Dissertations & Theses Global. (1316905977).

Crawley, S. L. (2014). A study of determinants of giving among churches affiliated with the Baptist Missionary Association of America (Order No. 3642372). Available from ProQuest Dissertations & Theses Global. (1620832615). Retrieved from http://ezproxy.liberty.edu:2048/login?url=http://search.proquest.com /docview/1620832615?accountid=12085

Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). Thousand Oaks, CA: Sage.

Creswell, J. W. (2016). *30 essential skills for the qualitative researcher*. Thousand Oaks, CA: Sage.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management. The Academy of Management Review, 22*(1), 20-47.

DeVries, B. A. (2016). Spiritual gifts for biblical church growth. *In Die Skriflig, 50*(1), 1-10. doi: 10.4102/ids.v50i1.2090

Drucker, M., Maguire, K. A., & Wolf, K. M. (2012). Penalties for federal tax crimes: The IRS arsenal. *Journal of Legal, Ethical and Regulatory Issues, 15*(2), 53-60.

Ekhomu, G. O. (2015). The impact of financial literacy competencies in faith-based organizations: A multiple case study of independent churches in mid-western USA (Order No. 3741495). Available from ProQuest Dissertations & Theses Global. (1753915442). Retrieved from http://ezproxy.liberty.edu:2048/login?url=http://search.proquest.com/docview/1753915442?accountid=12085

Elson, R. J., & Tarpley, M. (2015). Religious organizations and the annual compliance reporting exemption. *Journal of Legal, Ethical and Regulatory Issues, 18*(2), 11-19.

Emmel, N. (2013). *Sample size. In sampling and choosing cases in qualitative research: A realist approach* (pp. 137-156). London, UK: Sage. doi: 10.4135/9781473913882.n9

Enofe, A., & Amaria, P. (2011). The role of the church denomination in financial accountability among religious organizations. *International Journal of Business, Accounting and Finance, 5*(2), 87+.

FASB Accounting Standards Codification. (2016a). Concept statements. November 17, *2016.* Retrieved from https://asc.fasb.org/home

FASB Accounting Standards Codification. (2016b). Not-for-profit entities: Presentations of financial statements, ASC 958-205-05-04. *October 22, 2016.* Retrieved from https://asc.fasb.org/home

Foohey, P. (2014). When churches reorganize. *The American Bankruptcy Law Journal, 88*(3), 277-305.

Free, C., & Murphy, P. R. (2015). The ties that bind: The decision to co-offend in fraud. *Contemporary Accounting Research*, *32*, 18-54. doi: 10.1111/1911-3846.12063

Fritz, J. (2014). What is a faith-based nonprofit organization? Retrieved from http://nonprofit.about.com/od/faqsthebasics/f/what-is-a-faith-basednonprofit.htm

Geddes, S., & Steen, T. (2016). The argument for teaching financial literacy at higher-education institutions. *Michigan Academician*, *43*(3), 349+.

Glinkowska, B., & Kaczmarek, B. (2015). Classical and modern concepts of corporate governance (stewardship theory and agency theory). *Management*, *19*(2), 84-92. doi: 10.1515/manment-2015-0015

Goodrich, J. K. (2013). Overseers as stewards and the qualifications for leadership in the pastoral Epistles1. *Zeitschrift Für Die Neutestamentliche Wissenchaft Und Die Kunde Der Älteren Kirche*, *104*(1), 77-97.

Griffin, Y. T. (2015). A case study: Assessing and improving voluntary financial transparency in black Baptist churches (Order No. 3732844). Available from ProQuest Dissertations & Theses Global. (1735405397). Retrieved from http://ezproxy.liberty.edu:2048/login ?url=http://search.proquest.com/docview/1735405397?accountid=12085

Harris, W. B., & Roland, D. (2014). Information needs of church worship leaders. *Journal of Religious & Theological Information*, *13*, 35-52. doi; 10.1080/10477845.2014.921537

Hartford Institute for Religion Research. (n.d.). August 31, 2017. Fast facts about American religion. Retrieved from http://hirr.hartsem.edu/research/fastfacts /fast_facts.html#sizecong

Hicks, S. (2012). Exploring pastoral administrative competencies and responsibilities within the Presbyterian Church in America. (Order No. 3536031). Available from ProQuest

Dissertations & Theses Global. (1287159696). Retrieved from http://ezproxy.liberty.edu/login?url=http://search.proquest.com.ezproxy.liberty.edu/docview/1287159696?accountid=12085

Hiebl, M. R. (2015). Agency and stewardship attitudes of chief financial officers in private companies. *Qualitative Research in Financial Markets, 7*(1), 4-23. doi: 10.1108/QRFM-12-2012-0032

Hillman, N. A. (2013). Drawn together, drawn apart: Black and white Baptists in tidewater Virginia, *1800-1875* (Order No. 3574195). Available from ProQuest Dissertations & Theses Global. (1445381099). Retrieved from http://ezproxy.liberty.edu/login?url=http://search.proquest.com.ezproxy.liberty.edu/docview/1445381099?accountid=12085

Hodges, T. L., Rowland, M. L., & Isaac-Savage, P. E. (2016). Black Males in Black Churches. *New Directions for Adult and Continuing Education,* 47-57. doi: 10.1002/ace.20185

Hollowell, K. (2016). What is a Baptist pastor's job description? Retrieved from http://peopleof.oureverydaylife.com/baptist-pastors-job-description-9456.html.

Iannaccone, L. R., Olson, D. V. A., & Stark, R. (1995). Religious resources and church growth. *Social Forces, 74*(2), 705.

Internal Revenue Service. (2016). Tax information for churches and religious organizations. Retrieved from www.irs.gov.

Journy, M. T. (2015). Enjoining the IRS-using litigation to stop a revocation. *Taxation of Exempts, 26*(5), 3-11.

Kinnamon, M. (2012). What can the churches say together about the church? *Ecclesiology, 8*(3), 289-301. doi: 10.1163/17455316-00803003

Knoll, M. A. & Houts, C. R. (2012). The financial knowledge scale: An application of item response theory to the assessment of financial literacy. *Journal of Consumer Affairs, 46*, 381-410. doi: 10.1111/j.1745-6606.2012.01241.x

Kramer, B. (2015). Trust, but verify: Fraud in small businesses. *Journal of Small Business and Enterprise Development, 22*(1), 4.

Kummer, T. F., Singh, K., & Best, P. (2015). The effectiveness of fraud detection instruments in not-for-profit organizations. *Managerial Auditing Journal, 30*(4/5), 435-455. doi: 10.1108/maj-08-2014-1083

Leach, D. (2012). Developing a governing document (constitution/by-laws) which connects us to our Christian vision and also keep us connected to our Baptist roots (congregational-governance) at Morning Star Missionary Baptist Church in Winston Salem, North Carolina (Order No. 3515629). Available from ProQuest Dissertations & Theses Global. (1026851088). Retrieved from http://ezproxy.liberty.edu/login?url=http://search.proquest.com.ezproxy.liberty.edu/docview/1026851088?accountid=12085

Leadership roles. (n.d.). Church Community Builder. October 28, 2016. Retrieved from https://www.churchcommunitybuilder.com/leadership-roles

Liberty University. (2014). *Strategic allocation of financial resources*. (pp. 31 & 227). Boston, MA: Pearson Learning Solution.

Lockett, J. J. (2014). Financial literacy and social responsibility: A study of black Protestant religious organizations in northwest Indiana and south suburban metropolitan Chicago (Order No. 3692150). Available from ProQuest Dissertations & Theses Global.

(1682050656). Retrieved from http://ezproxy.liberty.edu:2048/login?url=http://search.proquest.com/docview/1682050656?accountid=12085

Lowe, J. S., & Shipp, S. C. (2014). Black church and black college community development corporations: Enhancing the public sector discourse. *Western Journal of Black Studies, 38*(4), 244-259.

Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature, 52*(1), 5-44. doi: 10.1257/jel.52.1.5

MacLeod, M. (2011). Religion and the rise of global corporate responsibility. *Review of Faith & International Affairs, 9*(3), 29-36. doi: 10.1080/15570274.2011.597215

Milligan, O. C. (2015). The emergence of a non-affiliated black church organization; since 1990 (Order No. 3726937). Available from ProQuest Dissertations & Theses Global. (1733644505). Retrieved from http://ezproxy.liberty.edu:2048/login?url =http://search.proquest.com/docview/1733644505?

Moody, H. R., & Achenbaum, W. A. (2014). Solidarity, sustainability, stewardship: Ethics across generations. *Interpretation, 68*(2), 150-158.

Murphy, T., & O'Connell, V. (2016). Challenging the dominance of formalism in accounting education: An analysis of the potential of stewardship in light of the evolution of legal education: In memoriam Ted O'Leary 1950-2014. *Critical Perspectives on Accounting,* 29+. doi: 10.1016/j.cpa.2016.06.001

Murphy, T., O'Connell, V., & Hogartaigh, C. O. (2013). Discourses surrounding the evolution of the IASB/FASB Conceptual Framework: What they reveal about the "living law" of accounting. *Accounting, Organizations, and Society, 38*, 72-91. doi: 10.1016/j.aos.2012.07.003

Nokes, S. W., Holmes, D. M., & Owens, M. S. (2013). Preparing for and navigating complex IRS examinations. *Taxation of Exempts*, *24*(6), 21-39.

Peters, C. S. (2015). More than just good deeds: Fraud within religious organizations (Order No. 1599154). Available from ProQuest Dissertations & Theses Global. (1728329488). Retrieved from http://ezproxy.liberty.edu:2048/login?url=http://search.proquest .com/docview/1728329488? accountid=12085

Peters, K., & April, K. (2014). Stewardship. *Training Journal*, 37-41. Retrieved from http://ezproxy.liberty.edu/login?url=http://search.proquest.com.ezproxy.liberty.edu/docview/1509783741?accountid=12085

Pew Forum on Religion and Public Life. (2014). *U.S. Religious Landscape Survey.* Retrieved from http://religions.pewforum.org.

Platau, S., & Dickins, D. (2012). Clients and the tax compliance expectations gap. *CPA Practice Management Forum, 8*(11), 13-17.

Powers, E., & Yaros, R. A. (2013). Cultivating support for nonprofit news organizations: Commitment, trust and donating audiences. *Journal of Communication Management, 17*(2), 157-170. doi: 10.1108/13632541311318756

Puyvelde, S. V., Caers, R., Du Bois, C., & Jegers, M. (2012). The governance of nonprofit organizations: Integrating agency theory with stakeholder and stewardship theories. *Nonprofit and Voluntary Sector Quarterly*, *41*(3), 431-439.

QRS International. (n.d.). NVivo product range. May 5, 2017. Retrieved from http://www.qsrinternational.com/nvivo-product

Quick, M. (2016). Baptist church officer duties. Retrieved from http://peopleof.oureverydaylife .com/baptist-church-officer-duties-6309.html

Randa, T. F. (2012). Developing pastors' understanding and practice on biblical financial stewardship: The key to impacting the growth of the Bible Christian Fellowship Church of Indonesia (Order No. 3541420). Available from ProQuest Dissertations & Theses Global. (1112849661). Retrieved from http://ezproxy.liberty.edu/login?url=http: //search.proquest.com.ezproxy.liberty.edu/docvi ew/1112849661?accountid =12085

Reference. (n.d.). Typical job description for church trustee. October 28, 2016. Retrieved from https://www.reference.com/business-finance/typical-job-description-church-trustee-1874508be7c6165f?qo=contentSimilarQuestions

Rixon, D., Rois, J., & Faseruk, A. (2014). The seven deadly sins of church accounting. *The Journal of Business Diversity*, *14*, 9-17.

Ruhl, J. M., & Smith, O. M. (2012). A perfect storm: A case in nonprofit financial reporting. *Issues in Accounting Education, 27*(3), 819-836. doi: 0.2308/iace-50079

Schaal, K. (2014). Remembering the difference between doctrine and preference. *Frontline.* Retrieved from http://proclaimanddefend.org

Schneider, J. (2012). Comparing stewardship across faith-based organizations. *Nonprofit and Voluntary Sector Quarterly*, *42*(3), 517- 539. doi: 10.1177/0899764012461399

Schrant, K. T. (2012). Staying pure in the eyes of the IRS. *Taxation of Exempts*, *24*(2), 45-48.

Scott, M. W., & Sanders, W. M. (2014). Capital gymnastics-a cautionary IRS message to booster clubs. *Taxation of Exempts*, *25*(5), 18-23.

Simon, M. K. (2011). Dissertation and scholarly research: Recipes for success (2011 Ed.). Seattle, WA, Dissertation Success, LLC.

Stake, R. E. (2010). *Qualitative research: Studying how things work*. New York, NY: The Guilford Press.

Taylor, S., & Wagland, S. (2013). The solution to the financial literacy problem: What is the answer? *Australasian Accounting Business & Finance Journal, 7*(3), 69-89.

Trussel, J. M. (2013). Is the loss of tax-exempt status for previous filers related to indicators of financial distress? *Journal of Accounting and Finance, 13*(4), 60-73.

Turabian, K. L. (2013). *A manual for writers of research papers, theses, and dissertations*. Chicago, IL: The University of Chicago Press.

Tysiac, K. (2013a). How not-for-profits can combat fraud. *Journal of Accountancy.* Retrieved from http://www.journalofaccountancy.com/News/20138221.htm

Tysiac, K. (2013b). Not-for-profit governance. *Journal of Accountancy, 216*(3), 18. Retrieved from http://www.journalofaccountancy.com/issues/2013/sep/20138255.html

Vann, H. E. (2015). Last call: A new practice of receiving a pastor in the Baptist church based upon a biblical paradigm that challenges the call system. (Order No. 10002200). Available from ProQuest Dissertations & Theses Global. (1759691383). Retrieved from http://ezproxy.liberty.edu/login?url=http://search .proquest.com.ezproxy.liberty.edu/docview /1759691383 ?accountid=12085

Wagenmaker, S. R. (2012). Churches and IRS reporting - maintaining exemption. *Taxation of Exempts*, *24*(1), 42-48.

Watson, J., & Stepteau-Watson, D. (2015). Troubled waters: The black church in Mississippi, a single subject case study. *Social Work and Christianity, 42*(3), 369-384.

Whittington, O. R., & Pany, K. (2012). *Principles of auditing & other assurance services*. New York, NY: McGraw-Hill/Irwin.

Wise, S. (2013). The impact of financial literacy on new venture survival. *International Journal of Business and Management, 8*(23), 30-39. doi: 10.5539/ijbm.v8n23p30

Yin, R. K. (2014). *Case study research: Design and methods* (5th ed.). Thousand Oaks, CA: Sage.

Zou, H., & Hope, W. C. (2015). Black Missionary Baptist Ministers and the burden of the great commission. *Baptist History and Heritage, 50*(3), 27+.

Appendix A: Survey Instrument

Interview Questions

Question 1:

What skills and experience have church leaders acquired to be financially literate and accountable?

1. What is your general background:
   a. Age:
      i. 30 – 39
      ii. 40- 49
      iii. 50 – 59
      iv. 60 – 69
      v. 70+
   b. Gender:
      i. M
      ii. F
   c. Education Level
      i. High School Diploma
      ii. Some college or technical training
      iii. Bachelor Degree
      iv. Master or Higher
   d. Primary Professional vocation in the secular world:
2. What is the size of your church and your leadership role in the church?

3. Describe your role in providing support for financial management of the church.
4. How long have you served in your role in making financial decisions for the church?
5. Are you serving as a volunteer or a paid employee?
6. What financial training have you taken to support your leadership role in the church?
7. How has your experience equipped you to detect potential fraud, waste, mismanagement, abuse, or misappropriation in the church?
8. What additional training is required for you to strengthen your financial literacy and accountability to effectively protect the church's resources?
9. Describe your understanding of sound financial accounting principles such as generally accepted accounting principles or the accounting regulations issued by the Financial Accounting Standard Board as it relates to the church.
10. What is your understanding of church's compliance with the Internal Revenue Services?

Question 2:

What are the perceptions of the church leaders regarding their financial stewardship?

1. How do you see your stewardship role in securing the church's resources?
2. What is your understanding of financial stewardship from a biblical perspective?
3. What types of decisions have you made in relationship to the financial management of the church's resources?
4. Who do you believe is responsible for protecting and securing the church's resources?
5. What is your perceptions of implementing the following practices to strengthen financial stewardship of church leaders: 1) Providing frequently financial reports at least quarterly

to the church members; 2) Engaging CPAs to audit the financial statements; and 3) Establishing segregation of duties for the accounting operations?

6. What suggestions do you have regarding training curriculum, resources, and programs that would help church leaders to improve the efficiency of their financial stewardship responsibilities?
7. Describe how you as a church leader would respond to acts of fraud, waste, mismanagement, abuse, or misappropriation in the church?
8. When you hear about fraudulent acts of pastors or church leaders, how does this information help you to strengthen the internal controls of your church's financial processes?
9. What else do you want to share regarding your ability to promote good financial stewardship in securing the church's resources?

Appendix B: (Initial Questions – Used in Filed Study)

Financial Literacy and Accountability within Black Baptist Churches

Interview Questions

Question 1:

What skills and experience have church leaders acquired to be financially literate and accountable?

1. What is your leadership role in the church?
2. What is your vocational experience in the secular world?
3. Describe your role in providing support for financial management of the church.
4. How long have you served in your role in making financial decisions for the church?
5. Are you serving as a volunteer or a paid employee?
6. What financial training have you taken to support your leadership role in the church?
7. How has your experience equipped you to detect potential fraud, waste, mismanagement, abuse, or misappropriation in the church?
8. What additional training is required for you to strengthen your financial literacy and accountability to effectively protect the church's resources?
9. Describe your understanding of generally accepted accounting principles or the accounting regulations issued by the Financial Accounting Standard Board.
10. What is your understanding of church's compliance with the Internal Revenue Services?

Question 2:

What are the perceptions of the church leaders regarding their financial stewardship?

1. How do you see your stewardship role in securing the church's resources?

2. What is your understanding of financial stewardship from a biblical perspective?
3. What types of decisions have you made in relationship to the financial management of the church's resources?
4. Describe examples of both good and bad financial decisions you have made in relationship to the financial stewardship of the church's resources?
5. Who do you believe is responsible for protecting and securing the church's resources?
6. What is your perceptions of implementing the following practices to strengthen financial stewardship of church leaders: 1) Providing frequently financial reports at least quarterly to the church members; 2) Engaging CPAs to audit the financial statements; and 3) Establishing segregation of duties for the accounting operations?
7. What suggestions do you have regarding training curriculum, resources, and programs that would help church leaders to improve the efficiency of their financial stewardship responsibilities?
8. Describe how you as a church leader would respond to acts of fraud, waste, mismanagement, abuse, or misappropriation in the church?
9. When you hear about fraudulent acts of pastors or church leaders, how does this information help you to strengthen the internal controls of your church's financial processes?
10. What else do you want to share regarding your ability to promote good financial stewardship in securing the church's resources?

Appendix C: IRB Approval

The Liberty University Institutional Review Board has approved this document for use from 5/2/2017 to 5/1/2018 Protocol # 2816.050217

CONSENT FORM

Financial Literacy and Accountability within Black Baptist Churches
Joanne M. Suttington
Liberty University
School of Business

You are invited to be in a research study about financial literacy and accountability in black Baptist churches. You were selected as a possible participant because you are a financial manager, church officer, or pastor of a black Baptist church.

Please read this form and ask any questions you may have before agreeing to be in the study.

Joanne M. Suttington, a doctoral candidate in the School of Business at Liberty University, is conducting this study.

Background Information: The purpose of this study is to explore the financial literacy and accountability of the financial managers, church officers, and pastors in black Baptist churches in the mid-Atlantic region of the United States.

Procedures: If you agree to be in this study, you will be required to answer twenty questions, via telephone or at a local library, about your financial background and your involvement in the oversight and management of the church's resources. The interview will take approximately 60 minutes, and I will record the interview to ensure validity of the information collected.

Risks and Benefits of being in the Study: The risks involved in this study are minimal, which means they are equal to the risks you would encounter in everyday life. Participants should not expect to receive a direct benefit from taking part in this study. Benefits to society include increased awareness of financial responsibilities in managing God's resources for churches of all denominations.

Compensation: Participants will not be compensated for participating in this study.

Confidentiality: The records of this study will be kept private. In any sort of report I might publish, I will not include any information that will make it possible to identify a subject. Research records will be stored securely, and only the researcher will have access to the records.

- I will conduct the interviews in a location where others will not easily overhear the conversation.
- The data will be stored in locked file cabinets and computer files with password protection. In pursuant to federal regulations, the data will be retained for three years upon completion of the study.
- Audio recordings will be maintained, and only I will have access to the recordings. The recordings will be erased three years after completion of the study.
- The data collected in this study will be confidential. All data will be coded such that your name will not be associated with it.

The Liberty University Institutional Review Board has approved this document for use from 5/2/2017 to 5/1/2018 Protocol # 2816.050217

Voluntary Nature of the Study: Participation in this study is voluntary. Your decision whether or not to participate will not affect your current or future relations with Liberty University. If you decide to participate, you are free to not answer any question or withdraw at any time without affecting those relationships.

How to Withdraw from the Study: If you choose to withdraw from the study, please contact the researcher at the email address/phone number included in the next paragraph. Should you choose to withdraw, data collected from you will be destroyed immediately and will not be included in this study.

Contacts and Questions: The researcher conducting this study is Joanne M. Suttington. You may ask any questions you have now. If you have questions later, **you are encouraged** to contact her at 571-259-9353 or jsuttington@liberty.edu. You may also contact the researcher's faculty advisor, Dr. Melanie Hicks, at mhicks@liberty.edu.

If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, **you are encouraged** to contact the Institutional Review Board, 1971 University Blvd., Green Hall Ste. 1887, Lynchburg, VA 24515 or email at irb@liberty.edu.

Please notify the researcher if you would like a copy of this information for your records.

Statement of Consent: I have read and understood the above information. I have asked questions and have received answers. I consent to participate in the study.

(NOTE: DO NOT AGREE TO PARTICIPATE UNLESS IRB APPROVAL INFORMATION WITH CURRENT DATES HAS BEEN ADDED TO THIS DOCUMENT.)

The researcher has my permission to audio-record me as part of my participation in this study.

Signature of Participant Date

Signature of Investigator Date