

ASSESSMENT OF FINANCIAL MANAGEMENT SYSTEMS FOR SUSTAINABILITY OF THE SDA CHURCH IN SOUTH-EAST KENYA FIELD, KENYA

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Abstract

The study aimed to examine the sustainability of the SDA Church, South East Kenya Field's finance management systems. Critical gaps in managing the church's finances have resulted in its unsustainability. Proper financial management systems are necessary to ensure the appropriate use of church resources for long-term sustainability. The church is facing an economic crisis due to poor financial management, which has resulted in its inability to sustain itself. The church cannot financially sustain itself and, therefore, cannot meaningfully impact the lives of members of society. The analysis drew upon Stewardship theory, which offered valuable guidance on financial management practices to ensure the long-term viability of the church. The study used a descriptive research design, and data were obtained using interview schedules and questionnaires from a sample size of 355 participants. The study found that despite having all the financial systems and structures in place, the South East Kenya Field SDA Church is still not self-sustaining. The systems need to be fixed since those to ensure that they are working are not adequately trained and not skilled. It recommended that the SDA Church invest in its personnel in terms of empowerment in financial management for the church's good.

Key terms: Church, Financial Management, Mission, Systems, Sustainability.

1.0 INTRODUCTION

Financial Management Systems are essential for the sustainability of any institution; their lack is an opening into various forms of misappropriation of funds that eventually leads to the unsustainability of the institution. According to a report by the Status of Global Mission in 2014, predictions show that by 2025 the Christian population will reach around 2,700,343,000. The projection is that the Church will receive a yearly income of \$350 billion from the significant number of Christians affiliated with it. However, the same institution asserted that due to the mismanagement of funds, the Church worldwide lost more than \$37 billion in church-related financial irregularities, including fraud and corruption. Therefore, it adversely affects the financial stability of the Church. The same sentiment was echoed in a report by Brotherhood Mutual Insurance Company (2015), which insures America's Churches and related ministries, pointing out that Church financial scandals outstrip church financial sustainability by 100 million US dollars daily—caused the same financing institution to cut her financing services to the Church, thereby creating financial instability in the Church, consequently, its credibility. The same company suggested establishing Church's financial policy frameworks and systems to prevent fraud in the Church.

In Nigeria, a study by Adeboye (2005) indicated that the lack of proper financial systems has made those managing finances emphasise money as an index of success, which equally fosters widespread fraud in the management, and use of church finances. Ukah (2005) held an argument, which asserted that the clergy and financial management committees have found the Church to be a platform to finically profit themselves at the expense of essential programs geared to sustain the Church in its service to the real needy in society. The avarice for more profit in the Church for the ministers has led to many using fraudulent ways to extort more money from the Christians. The actions taken contradict the fundamental principles of honesty, expertise, collaboration, selflessness, and responsibility advocated by the leaders of the Church.

While an empirical study by Reese (2010) on the Pentecostal Church in Zimbabwe asserted that the financial instability of the Church is a result of the missionaries' created dependency syndrome, which has hindered locals from being creative in findings ways to be financially self-supportive as the church, according to Reese (2010), the local Church tends for a very long time to look towards foreign missionaries for everything in matters of church affairs, including the management of its resources. However, this had profound implications for the local church when the same missionaries returned to their home countries. There needed to be financial managers and systems put into place. On a larger scale, this led to the clergy's misappropriation of the existing church assets, leaving many projects stalled as the local churches had no responsible ownership of those projects (Schwartz, 2007). The ironical gap that informs this study is that despite these challenges, many churches do not implement corresponding financial management strategies for self-sustainability to carry on with their mission activities.

The same reality is not different from the Seventh Day Adventist church in South East Kenya Field. However, the unfortunate thing is that the church appears not alive to those financial problems. The Church has well-stipulated church financial policies on the financial structure of the church. Policies do not put into practice for the sustainability of the church. For example, the church's leaders must handle

financial matters honestly and transparently. Every church leader must exemplify ethical principles of accountability and openness through their actions. According to the East-Central Africa Division of the General Conference of Seventh-day Adventist church report (2019), the managers of church finances are to maintain open communication in financial matters. In addition, there are church financial internal control boards/committees responsible for ensuring proper use, management and use of church finances and the design of appropriate finance sources for the sustainability of the church. Despite all these, the church is still not self-sustaining.

These mishaps indicate the need for effective financial management systems in the SDA church, South East Kenya Field, to ensure its finances and other resources are well managed for the mission activities. By so doing, the church will be fulfilling the call by Paul in 1 Cor. 4: 1, which requires that servants of Christ are excellent and trustworthy stewards of the mysteries of God, including finances.

The SDA church in SEKF has elaborate internal financial control systems and financial policies. Despite this, financial management is still a critical issue for its sustainability; poor financial management has marred the church, plugging it into an economic crisis and leading to its self-unsustainability; there are critical gaps in the management of the church finances that have resulted in its unsustainability. Therefore, the church lessens the meaningful impact on the lives of members of society.

2.0 LITERATURE REVIEW

For the church to be financially sustainable, it is not enough to have lots of money. Effective financial management systems and measures should equally accompany it. According to Hyman (2018), such systems must include funds flow control systems, financial planning, budgeting systems, asset management systems, accounting policies and procedures, internal and external auditing systems, reporting and monitoring systems, information systems, financial analysis and plan implementation. Kiiru (2010) informs that for systems to work, they must have professionalism and innovation that contribute to properly managing available church resources and, consequently, its self-sustainability. Financial management systems aim to manage revenues and foster financial stewardship and cost containment (Gunderson, 2008).

Mason (2015) posits that financial management strategies for the financial sustainability of the church heavily lie on its leadership; financial leaders are majorly indebted to increase the church's financial security systems for the mission of the church. However, Fisher and Anong (2012) and Hyman (2018) consider that the selection and use of financial management control systems are contingent on various internal and external factors. Choi and McNamara (2018) specify that the success of a given institution depends on its strategic planning, which entails setting goals and realistic objectives, formulating targets, employing performance indicators and assigning resources. In contrast, Sejeli and Mansor (2015) reiterate that some benefits of strategic financial planning range from debt reduction and budgeting to planning large purchases for the institution. Sejeli and Mansor (2015) further add that this will only be achieved through the expertise of financial managers to plan and manage the available finances for the institution to function correctly in the present and the future.

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The elements by Sejeli and Mansor echo Eger et al. (2014), who posit that for faith-based institutions, including the church, strategic planning involves managers identifying and identifying the church's mission and goals and ensuring enough resources to meet them. While Shea and Wang (2016) reiterate that strategic planning in churches involves researching and selecting strategies conducive to strengthening the Church's internal capacity and implementing the policies designed to ensure its sustainability.

The fundamental issue in the literature on strategic planning is that lacking it would mean church financial managers can predict and shorten the gap between the church's status and the planned activities. Placido and Cecil (2014) raise the voice, who informs that finance managers of churches that employ strategic planning tend to attract more funding from the public over those that do not. The unfortunate issue is that pastors and others manage church finances without any financial management skills, which has led to operating opportunistically by misplacing priorities with the intent to achieve the goals of the church and sometimes leads to financial scandals (Zech, 2007). The same affirmation by Henrickson (2012) noted that internal control of the church is notoriously not working.

However, the argument by Schoemaker (2018) is more comprehensive than that of mere management of finances, which only looks at the financial managerial aspects since it looks at the leadership strategy. In the financial management systems, leadership plays a key role, which today has become a matter of great concern for the financial viability of the church. Leaders are responsible for overseeing the organisation's budget and determining the level of resources needed to manage the debt-to-cash-flow requirements of the organisation; leaders, particularly pastors, should not waste church resources and should always be efficient in the financial operations of the church (Mason, 2015). In the spirit of the gospel, good stewardship demands a comprehensive understanding of how the church uses assets and how the church responds to various needs. Melao et al. (2017) noted that proper financial management, financial planning, and financial control demonstrate to the donors that the organisation's leadership exercises good stewardship over the financial resources. On the same note, sound financial management by leaders may provide the opportunity to attract new donors to the church. Witnessing spiritual leadership brings a change in the community, and the attention and interest shown by spiritual leaders often energise the members and lead to better performance in the Christian community (Mohla & Aggarwal, 2014).

While important factor in strategic church finance, which undermines the above-reviewed literature, is collaboration with other entities for the financial sustainability of the church. Kimani (2016) contended that collaboration among financial managers in the organisation helps resolve ways to maintain financial benefits for the members and ways to provide social services programs to the community. Visionary finance managers cooperate with other entities in diversifying the financial sources of the church. Cooperatives create important solidarity mechanisms and platforms to re-enforce the traditional financial and funding systems; they set up schemes to cater for expenses related to the needs of members within an organisation and other unexpected socio-economic problems. Collaboration enables church financial managers to solve challenging problems, such as the lack of financial resources for the sustainability of their church. In the spirit of collaboration, church leaders involve congregations in the financial plans of the church before implementing any measure. By doing so, church financial managers minimise financial conflicts, misunderstandings, and mismanagement of church finances. However, most churches think

going solo will help them overcome their financial hardships, which poses the main challenge for churches to work together towards financial sustainability. Kessler and Kretzschmar (2015) noted that the failure of church finance leaders to implement effective financial strategies is a critical issue that thwarts the accomplishment of the church's mission.

Another essential strategy financial management system undermined by many is that of the local communities; churches that invest in the people and are active in investing in the local community provide economic benefits to the community through various avenues of their presence in those communities because churches usually support the local community (Mason, 2015; Hyman, 2018). The church should see the empowerment of the community as an essential and possibly indispensable financial management system for the sustainability of the church. Chan et al. (2014) argue that resource-based church organisations can empower and influence church members to create organisational meaning and purpose because it enables the Church to meet its goals of being a church and guaranteeing its relevance. Kimani (2016) reiterated that resource-based strategic leadership must organise and motivate others to achieve the mission and vision of the institution for financial sustainability and economic stability, support the members of the church, and provide social services to the larger community. The argument here is that resource-based strategic leadership has the responsibility not just to achieve the goals of the church as an institution but also to share the vision of the church with the members in a way that makes church members take ownership of their church (Schoemaker et al., 2018; Hyman, 2018). Therefore, it is not just the financial allocation of funds for church activities, which is more of financial administration, but more importantly, to advance the church in safeguarding its financial sustainability and stability (Schoemaker et al., 2018).

Finally, a factor not emphasised by the above literature is maximising church financial resources. Mason (2015) argues that the maximisation of church financial resources ensures the church operates efficiently, promotes programs for the well-being of the congregants, and achieves and maintains financial stability. It involves investing in programs designed for social services and financial sustainability to remain financially stable and accomplish the mission of the church or organisation (Santora et al., 2015). Good stewardship of church financial resources and assets are necessary to achieve this goal.

3.0 METHODOLOGY

Stewardship Theory was employed to assess the financial management systems of the SDA Church in South East Kenya Field to guarantee its long-term viability. Data was gathered through questionnaires and interview schedules from a target population of 1120, with a sample size of 355 participants, per Mugenda and Mugenda's (2013) recommendations outlined in Table 1.

Table 1: The Sample Size

Target group	Target Population	Sampling Procedure	Sample Size	Percentage
Church Field Leadership	10	Censors	10	3%
Pastors	60	Purposive	30	8%

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Development Officers	210	Simple Random	63	18%
Treasurers	210	Simple Random	63	18%
Church Elders	210	Simple Random	63	18%
Secretaries	210	Simple Random	63	18%
Lay Church Members	1120		355	100%
Total				

The study considered having various clusters of participants to obtain a significant and varied representation for the authenticity and accuracy of the study findings. To that effect, the sample size for the questionnaire group using simple random sampling was 315 respondents distributed across all the study clusters except pastors and church leadership. At the same time, the total sample size for the key informants was 40, comprising pastors and church leadership. After careful consideration, a sample size of 355 was appropriate, as most were responsible for overseeing and handling church finances.

4.0 RESULTS AND DISCUSSION

The study assessed financial management systems for the sustainability of the SDA Church in South East Kenya Field, Kenya. We utilised the Steward Theory as a framework during the discussion and presentation of the results. This theory emphasises the importance of responsible management of organisational finances for long-term sustainability. In order to achieve this goal, the study utilised a Likert scale method to address thematic topics using numerical and alphabetical characters, where D=Disagree, SD=Strongly disagree, N=Neutral, A=Agree, SA= Strongly agree, as shown in Table 2 below.

Table 2: Level of Agreement to Church Financial Management Systems for the Sustainability of Seventh Day Adventist Church, South East Kenya Field

Item	D	SD	N	A	SA	Total
There are internal financial control systems	<i>R-0</i> <i>%-0</i>	<i>0</i> <i>0</i>	<i>10</i> <i>3.2</i>	<i>100</i> <i>32.3</i>	<i>200</i> <i>64.5</i>	310 100%
There are church Financial management Structures and Policies.	<i>R-5</i> <i>%-1.6</i>	<i>5</i> <i>1.6</i>	<i>10</i> <i>3.2</i>	<i>270</i> <i>87.1</i>	<i>20</i> <i>6.5</i>	310 100%
Church has operational Financial Committees	<i>R-10</i> <i>%-3.2</i>	<i>300</i> <i>96.8</i>	<i>0</i> <i>0.0</i>	<i>0</i> <i>0.0</i>	<i>0</i> <i>0.0</i>	310 100%
The church has an annual budget	<i>R-0</i> <i>%-0.0</i>	<i>0</i> <i>0.0</i>	<i>10</i> <i>3.2</i>	<i>30</i> <i>9.8</i>	<i>270</i> <i>87.1</i>	310 100%
Church Financial Leaders ensure that the church is financially sustainable	<i>R-183</i> <i>%-59.0</i>	<i>68</i> <i>21.9</i>	<i>18</i> <i>5.8</i>	<i>20</i> <i>6.5</i>	<i>21</i> <i>6.8</i>	310 100%

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Church carries out Audits and keeps the Audit Reports	<i>R-10</i> <i>%-3.2</i>	<i>290</i> <i>93.5</i>	<i>10</i> <i>3.2</i>	<i>0</i> <i>0.0</i>	<i>0</i> <i>0.0</i>	310 100%
Church keeps Financial records (expenses and Revenues) up to date for proper accountability.	<i>R-230</i> <i>%-74.2</i>	<i>50</i> <i>16.1</i>	<i>10</i> <i>3.2</i>	<i>15</i> <i>4.8</i>	<i>5</i> <i>1.6</i>	310 100%
There is the minimisation of wastage regarding church resources	<i>R-167</i> <i>%-53.9</i>	<i>143</i> <i>46.1</i>	<i>0</i> <i>0.0</i>	<i>0</i> <i>0.0</i>	<i>0</i> <i>0.0</i>	310 100%
Church keeps track of Financial Liabilities and Assets	<i>R-13</i> <i>%-4.2</i>	<i>27</i> <i>8.7</i>	<i>17</i> <i>5.4</i>	<i>85</i> <i>27.4</i>	<i>168</i> <i>54.2</i>	310 100%
There are effective monitoring and personnel systems for the sustainability of the church	<i>R-132</i> <i>%-42.6</i>	<i>78</i> <i>25.2</i>	<i>20</i> <i>6.5</i>	<i>50</i> <i>16.1</i>	<i>30</i> <i>9.7</i>	310 100%

Key: *R* – Respondents, *%*-Percentage

Before discussing data on specific factors in financial management within the SDA church in SEKF, the study first sought to establish and discuss issues related to internal finance control systems. The quantitative findings in Table 2 showed that none of the participants denied the thesis; 10 (3.2%) were neutral, 100 (32.2%) were in agreement with the existence of church finance internal control systems, and the majority, 200 (64.5%), were in solid agreement. Corroboration of the findings by qualitative ones from the interviews, which indicated:

It is not that the church has no internal financial control systems—provision of all systems in the church manual. We have systems like finance committees, policies, audits, financial planning teams, budgeting, and monitoring. The problem is with their functionality. Some of these constructs within the financial department of the SDA church in SEKF are not effective (Interviewee, 21)

There is the flouting of church financial policies, and budgets are not appropriately planned and made, as continuously exhibited by unplanned fundraisings conducted almost every Sabbath and other days of the week (Interviewee, 30).

The field findings are in tandem with McMenam (2002), who informs that effective and robust financial management systems are essential for the financial organisation of the church, and any lack of such systems will eventually lead to its collapse. Internal finance controls are not managing existing finances but also help reduce risks of unauthorised acquisition, usage, or disposition of the church's assets (General Conference of Seventh-day Adventists, East-Central Africa Division, 2019). According to the Seventh Day Adventist Conference, 2009, internal finance controls support safeguarding the accuracy and reliability of financial information reported to management and external institutions, including donors. The efforts of

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the SDA church to have financial management and control systems are indispensable for her mission. However, their implementation entails comprehensive planning together with the implementation of workable methods, policies and procedures that can respond to, put up with and overcome the financial tests within the church; it requires sound financial management practices on the part of finance leadership and accountability. These constructs are essential building blocks for stimulating sustainability and better value for money in the church.

On the subject of church financial management structures and policies, the findings in Table 1 above indicated that 5 (1.6%) of the respondents were in disagreement, 5 (1.6%) strongly disagreed with the existence of church financial management systems and policies, 10 (3.2%) were undecided, 270 (87.1%) were in total agreement. In comparison, the thesis, while 20 (6.5%) of the informants strongly agreed that the SDA church in SEKF has financial management systems and policies. Some participants echoed the findings in the interviews and asserted:

The institution of the calibre of the church cannot function without financial management systems and policies. Every day running of the church involves the use of finances. Furthermore, the church is a custodian of the finances of the faithful entrusted to her. Moreover, there must be policies to guard the stewardship of those finances (Interviewee, 20).

The churches always had policies and structures that informed the budgeting and use of church financial resources. The problem is that sometimes those policies and structures need to be functional. For instance, the church does not openly speak on the management of finances, and it is the hottest and most scandalous issue in the life of the Christian Church (Interviewee 18).

The various ministries in the church cannot function without financial structure and policies. As a church, we have general financial policies that explain the church's financial operations (Interviewee 11).

The findings are consistent with the working policy of the SDA church (Working Policy of the General Conference of Seventh Day Adventists East-Central Africa Division 2019 - 2020 edition. Nairobi, Kenya), which stipulates and directs all affairs of the church, including financial management of the church. Monitoring of the policy asserts that internal controls determine their continued effectiveness. The controlling board or executive committee shall have an ongoing process to assess the effectiveness of internal control systems and correct deficiencies. However, the policy needs to specify how those deficiencies are to be corrected, which explains the lack of concrete and tangible measures and, consequently, the ineffectiveness of the process.

The same resonates with Arhin et al. (2018), who noted that organisations should recognise the need to be functional and credible as the funding environment becomes more complicated and necessary. Therefore, it involves strengthening financial and administration structures, including financial systems, knowledge

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management and employee capacity; these are key to the functioning of any organisation; the more robust these aspects are, the more operational the organisation can be in holding donor and member relationships. As discussed in the literature review, financial and organisational sustainability depends on the leadership of a church (Kessler & Kretzschmar, 2015). Church finance leadership ensures that financial structures and policies are operational. Kessler and Kretzschmar (2015) asserted that the failure of church leaders to implement effective financial strategies is a critical issue that thwarts the accomplishment of the church's mission.

Having discussed the subject of the SDA church's financial management structures and policies, the study examined the theme of financial planning and budgeting. The results in Table 1 above indicated that none of those who answered the questionnaire disagreed with the importance of planning and budgeting for the Church. Only 10 (3.2%) were neutral, while all 300 (96.8%) participants endorsed the thesis. These quantitative results were authenticated by those from the interviews, where participants informed:

Most or if not all, of the funding for a local church's budget comes from the constrained local resources, but the local church members who sponsor the church do not have enough resources to finance the needed church budget. Every church activity strains the annual budget (Interviewee 12).

Budgets are not prepared for all significant activities in sufficient detail and time, creating many financial deficits for the church. Inadequate budgeting procedures and constrained resources are the major issues that the church in SEKF must address (Interviewee, 28).

Budgeting is a critical activity for the church; it enables different departments to operate. However, those in budget planning and formulation should move from short-term outlooks associated with budgeting to long-term (Interviewee, 16).

The above field data indicated that budgeting systems are being used by the church, as shown by 300 (96.8%) respondents. The statement aligns with the Biblical verse in Luke 14:28-31 that reads:

"When he wants to build a tower, does not first sit down and calculate the cost to see if he has enough to complete it? Otherwise, when he has laid a foundation and cannot finish, all who observe it begin to ridicule him, saying, 'This man began to build and was not able to finish.' Or what king, when he sets out to meet another king in battle, will not first sit down and consider whether he is strong enough with ten thousand men to encounter the one coming against him with twenty thousand?" (Luke 14:28-31)

The SDA Church in South East Kenya Field must prioritise its activities to fulfil its mission effectively, even with resource constraints, as research has shown that budgeting is vital for its functioning. A budget outlines the expected income and expenses for a specific timeframe. However, where there are limited resources, a budget helps the church to apportion available financial resources to enable the running of essential activities. However, the findings from the interviews pointed out important aspects of the failure

of those who formulate the budgets, the failure to maintain sound and realistic budgets that are within the reach of the church's financial resources. According to Lambe (2004), budgeting within the available funds of an institution is essential for the sustainability of church organisations, which means that failure to formulate a sound budget effectively impedes the attainment of financial sustainability of the SDA Church in SEKF. Not budgeting for the relevant activities of the church effectively in good time, taking into account the available resources as indicated in the above findings, means that the church budgeting institutions and personnel are ineffective. However, effective management accounting systems prepare meaningful budgets within the limits of the available resources, providing valuable measures for monitoring the church's financial performance.

The study's findings also pointed to the fact that the finance source for which the SDA Church does the budgeting comes from a single source (local poor church members) already constrained. Constraining so many such sources means the church will be unable to budget for anything, leaving it with uncontrollable budget deficits; this explains why there are many unplanned mini-fundraising programs almost every Sabbath day after service. The church has unbudgeted programs and expenses, which can make it challenging to get a clear understanding of its total budget. Therefore, covering these costs is necessary. These sentiments agree with Hailey (2014), whose study concluded that a single source of income should be at most 20 per cent of the total budget if that has to continue supporting the institution. The SDA Church has to reconsider its finance committees. Dreher et al. (2012) warn that an organisation will remain vulnerable if the budget is enormous and beyond the available resource and when that large budget percentage comes from one source. Therefore, the constraining financial source equally means the shrinking of the scope of the church programs since they cannot operate without finances.

The study sought to discuss the operations of the church financial board committees after having discussed church financial planning and budgeting construct. The findings were illustrated in Table 1 above, indicating that 10 (3.2%) of the respondents disagreed that church financial committees are functional, and 300 (96.8%) strongly disagreed with the postulate that financial committees are influential. None of the study participants supported the effectiveness of church financial committees for the financial sustainability of the Church in SEKF. Findings from the interviews indicated the following:

The church has a finance committee/team composed of Church elders, the Church Clerk, the Treasurer, the District pastor and the church board. The committee's responsibility is to strategise the allocation of finances, create budgets, and manage church funds. However, at times, these committees may not operate efficiently (Interviewee 36)

The team selects its finance committee members through a competitive process. The process starts with selecting a nominating committee from the church members. The nominating committee brings its report to the church, which then casts votes on the names presented by nominating committee. This procedure enables transparency and effective financial officers (Interviewee 34).

Prot et al. (2012) support the findings that transparency to Christians is essential since it encourages them to give more and also demands how their voluntary contributions are managed and used. Transparency

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starts from the nomination and appointment of effective finance teams who will ensure good planning of church activities, their execution and evaluation. These teams follow policies that promote responsible revenue management, financial stewardship, and cost containment for the church, as outlined by Gunderson in 2008. Those appointing authority should equally be people of integrity, knowledgeable on the financial matters (especially resource management), traditions and values of the church. Factors involved in financial and administration structures included composition and quality of leadership (board and management), organisational culture and values, organisational capacity, knowledge management and resource management. Functional church authority will give the church functional finance boards composed of professionals with well-defined roles.

Committees play a vital role in the church by sharing responsibilities for various activities and exchanging ideas and knowledge on financial management matters. According to Henrickson (2006), it is essential to distribute financial duties among multiple members and volunteers to ensure effective management and prevent any mishandling of funds by a single person. Henrickson (2006) further accentuates that if only one person handles all financial components, they will be in a calculated environment to obscure the wrongdoings, which, in essence, risks the sustainability of the church. Functional financial committees and management control systems ensure effective financial management.

After analysing the results of the financial committees, the study delved deeper into the responsibilities of church financial leaders to maintain the church's financial independence. The responses from the field were very candid as follows: 183 (59.0%) were in disagreement, 68 (21.9%) were strongly disagreeing with the postulate that church financial leaders ensure that the Church is financially self-sustaining, 18 (5.8%) were undecided, 20 (6.5%) were in agreement, and 21 (6.8%) respondents strongly agreed that the finance church leaders are on the top of their job to ensure that the SDA church in South East Kenya Field is financially self-sustaining. The interviews supported the findings obtained from the survey, as they provided the following opinions:

The church's financial sustainability and the fact that over 600 pastors' homes remain unfinished due to a lack of funds would not be topics of discussion if the financial leaders of the church were fulfilling their responsibilities to guarantee that the church can support itself financially. The leaders seem to contend with receiving the returns from tithes and other sources without giving a vision of how the church should be self-sustaining (Interviewee 14).

Church financial leaders should look for ways to ensure multiple church finance sources; we should have income-generating projects for the church, whether at the SEKF or local levels. It seems that finance leaders in the church may lack clarity about their responsibilities and feel unsure about how to consider various financial options for the organisation. (Interviewee 38).

The investigators concluded that the main factor contributing to the financial instability of the SDA Church in SEKF was poor leadership. Financial leaders are not doing their job to ensure that the church is financially self-sustaining. They cannot make sound decisions that inform the church's financial operations.

The findings were consistent with Petrou (2015) and Pfeffer (2013), who sustained that church leaders of necessity must be skilled in strategic planning to promote organisational financial sustainability. Church finance leaders should be strategic in planning for the church and also be aware of the internal and external challenges of the church. With awareness of the church's internal and external reality, they can strategically decide how to manage and plan for the church's financial sustainability (Jiang et al., 2018). The reality of the church's financial leaders contradicts the findings of the study by Schoemaker et al. (2018), which suggested that strategic finance leadership has the responsibility to allocate resources in ways most conducive to advancing the organisation to ensure financial sustainability and stability. The unskilled finance leadership is comfortable handling financial matters of the church from a traditional and minimalistic financial resource base, which is detrimental to the financial self-sustainability of the church.

Another construct discussed by the study was regarding keeping track of financial liabilities and assets. According to the study, this was important since it takes charge of other constructs like minimisation of wastage of church assets and keeping financial records. It is a form of monitoring tool. The results in Table 1 above showed that 13 (4.2%) were in disagreement that the SDA church in SEKF keeps track of all financial assets and liabilities, 27 (8.7%) of the respondents were in total disagreement, 17 (5.4%) were undecided, 85 (27.4%) were agreeing that the church keeps track of all church assets and liabilities. In comparison, 168 (54.2%) strongly agreed with the postulate. In the interviews, when asked how the church keeps track of all assets and liabilities, a participant had to say:

Apart from the spiritual development of the members, if there is else that the church, especially the leadership, is keen on is to know the available assets. The leadership does not want to know more about liabilities; they are left to individual church members or locals to resolve. Failure to resolve, the church or church member has to face disciplinary action or even be disowned by the church leadership (Interviewee, 2).

It appears that the church prioritises the management of their assets, ensuring that all necessary documentation is in order to reclaim them, rather than focusing on their liabilities. During the interview, Interviewee 27 voiced concern that the failure of the church to acknowledge its liabilities could put its financial stability at risk. Therefore, it is crucial to identify and address any potential liabilities.

The findings indicated that knowing and having assets is just as important; denying the existing church liabilities and financial deficits will be unproductive. Both are important since they constitute the actual operations and reality of the church. The church leadership should be candid enough to accept and address liabilities since they come from her budgeting and comportment. Furthermore, the presence of church liabilities could be from a lack of awareness of their existence and their negative impact on the entire church, including the leadership. In this case, the study noted the importance of the adoption of

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continuous creation of awareness among the church membership, especially those who are in the finance management office. Such awareness does not only come from church membership but also from other stakeholders (Hak & Dahl (2007). Hak and Dahl (2007) posited that experience suggests that a promising approach to resolving church issues is to start with limited and focused assistance in drafting the enabling legislation necessary and provision of infrastructure for proper sustainability of the church-initiated income-generating projects.

On the construct of minimising wastage regarding church resources, the findings showed that 167 (53.9%) argued that there is much wastage of church assets, 143 strongly disagreed, and none had a different view. During the interviews, we observed how individuals misuse church assets. In response to this inquiry, participants had to say:

It is enough to go to SDA Church premises; and find broken water taps, dilapidated roofs, untidy premises, church compounds and eroded roads. There is no maintenance done in most of our churches. This reality implies that the church must put more constrained resources on maintenance (Interviewee 4).

When visiting our respective churches, almost all installations are in disarray. The pastor's church house has broken toilets and water taps. The most disheartening thing is that the church members give money for church repairs and other installations. The question is: where does the money go? Moreover, where will the money come from to address other church expenses? (Interviewee 36).

The concerns raised from the field are genuine. There is a waste of church resources, which threatens the financial sustainability of the Church in SEKF. The Church cannot redirect its budget, focus on only maintenance, and leave out other critical budgetary aspects of its mission. The findings are in agreement with Pressgrove and McKeever (2016), who argued that stewardship, despite being one of the essential values in resource mobilisation in Faith-based Organisations (FBOs); those organisations rarely bank on it. However, stewardship is not only on financial resource management but also proper care of non-financial resources of the church. Furthermore, according to Mawudor (2016), stewardship demands that Christians use resources given to them with care, integrity, and responsibility.

The researcher also looked at and discussed the construct of auditing within the concerns of objective three of the current study. The responses from those who answered the questionnaire showed that 10 (3.2%) disagreed that the church does comprehensive financial auditing, and 290 (93.5%) strongly disagreed that the Church in SEKF does comprehensive auditing that informs the future planning of the church. Only 10 (3.2%) participants were neutral, while none agreed or strongly agreed with the postulate. On this subject, in the interviews, the researcher probed more, and the respondents informed the following:

We had an audit conducted at our nearby church, and unfortunately, the report we received was disheartening. The audit report was about how much money we take to

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central offices in SEKF and why our church is not giving enough money to SEKF. The report did not speak about the challenges our church is going through. Lacking auditing knowledge differs from what auditing is all about (Interviewee 20).

The church recommends conducting an annual audit according to its financial policy. The audit ensures that individual churches remit their revenues and expenses to SEKF without giving any line of action on diversifying and improving the local church finance resource base. Despite this, it seems that the exercise is rigorous for local churches alone, but we are not aware of the same with the SEKF management that receives the money sent by the individual treasurers. Even at the local church level, no proper and comprehensive reports and directions are given (Interviewee, 19).

After conducting an audit, the Church releases public financial remittances. However, this process only occurs annually and does not lead to further action until the next audit. During an interview, the suggestion is that the SEKF leadership values receiving remittances and publicising the names of contributing churches more than conducting a comprehensive auditing process. This approach needs to meet the intended purpose of auditing: to provide clear guidelines and policies to make the process more effective. Instead, it appears that the focus is on monitoring the revenue of local churches rather than conducting proper audits.

The findings highlight critical issues the SDA church and financial leadership must consider. The SEKF church leadership needs to ensure that revenues and expenses are accurately submitted, which is the primary objective of the audit. However, other essential factors, such as ensuring the safety of church funds and exploring ways to increase church financial resources, are often neglected. The Church Manual's revised 2017 edition serves as the source of the information provided. The Church Manual policy expects every church member to act as an auditor and provide necessary resources to carry out church activities, supporting each other. The Church Manual does not guide on expanding the church's resources, except for emphasising the traditional financial sources discussed in objective one of this study. These concerns raised by the study indicate the gaps in the church's financial management and control body; there is inadequate church ability to carry out informed, informing and comprehensive audits for the sustainability of the church without so much constraining the local church resource base.

Finally, the study discussed the findings on the construct of effective monitoring and personnel as an essential strategy for the financial sustainability of the SDA church in SEKF. The field findings, as illustrated in Table 1 above, indicate that 132 (42.6%) disagreed that there are effective monitoring and evaluation systems, 78 (25.2%) strongly disagreed, 20 (6.5%) were undecided, 50 (16.1%) were in agreement, and 30 (9.7%) were firmly in agreement with the postulate that there effective monitoring and evaluation systems for financial sustainability of the church. Participants provided insight during the interviews, which they subsequently used to verify the quantitative data. Authentication quantitative data by constructing them with those from the interviews, where participants informed:

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We indeed have financial monitoring and evaluation systems, but they are ineffective; they are essential exaltations that remain on paper. It is in everybody's knowledge that we had had issues of financial abuses in the church, which the intended monitoring and control systems could have detected early enough before they happened. The church is not serious about monitoring and evaluating church finance behaviour and records, and it is improper to claim those monitoring systems are effective (Interviewee 17).

When questioned about the timing and methods used for monitoring and evaluating the church's financial management board, a few participants responded.

Please explain the different meanings of monitoring and evaluation. Our current priority is meeting the remittance requirements set by the church authorities and ensuring we have the necessary accompanying documentation. (Interviewees 12, 15, 29, 33).

The findings showed that the SDA Church carries out monitoring and evaluation but is weak, ineffective and unknown to some members charged with finance responsibilities in the local churches. Henrickson (2012) observed that the internal control in the church is notoriously lax, which aligns with this statement. Moreover, Kuria and Wanyoike (2016) observed that financial sustainability in organisations such as Catholic Societies of Apostolic Life could be met by monitoring their net income, profits, and liquidity. Before integrating them into the overall implementation plan and operations of local churches, it is essential to have a clear understanding of the monitoring and evaluation processes of church finances and committees. Ensuring proper and maximum safeguarding of church finances is essential. In other words, if they are effectively adopted, monitoring and evaluation strategies with skilled personnel would influence the church's financial sustainability since they can detect and seal all loopholes for mismanagement of funds. It is essential for both the church membership and those responsible for finances to be aware of this practice and implement it regularly and consistently. Regularly monitoring church finances is crucial to guarantee that the assigned funds are distributed strictly with the budget plan, with no significant deviations.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions: The study concluded that poor financial management systems negatively affect the financial sustainability of the SDA Church. The church has set up clear procedures and guidelines to manage its finances, including the use of financial committees and boards. These matters are discussed at the SEKF leadership level and within individual churches. Conducting regular audits to uphold complete transparency and accountability in financial systems is imperative. These essential internal control systems aim to reduce the likelihood of errors and improper financial actions and behaviours. However, the Church in South East Kenya Field is grappling with implementing financial operations and policies that guide all financial processes. Additionally, the poor execution of financial and budgetary planning and appointing qualified personnel to oversee the church's financial affairs remains a big challenge for the SDA church. Further, the study concluded that church finance leadership is a significant threat to the financial sustainability of the church; the managers are inactive and misinformed of their duty to ensure the financial sustainability of the church.

Recommendations: The study recommended that the SDA church invests its personnel in financial management empowerment for the Church's good. It further recommended that church financial managers focus on financial planning for the Church to ensure its financial sustainability for the mission and mobilise resources. They should not depend on voluntary contributions from members for church income.

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