

Fiscal Stewardship Principles



United Kingdom Territory with the Republic of Ireland
Developed by the Fiscal Stewardship Principles Development Group
on behalf of the Territorial Operations Board, 2020

WELCOME

As followers of Christ we are incredibly blessed because we have a very generous God whose generosity knows no bounds; he gives us ‘immeasurably more than all we ask or imagine’ (Ephesians 3:20). In response, we offer our whole lives to this loving, generous God and we seek to model generosity and live generously as disciples of Jesus Christ, joyfully giving time, skills, money and other resources to God’s mission.

We are blessed by the generosity of our own people as well as the public, and also through public funds provided to run government and local authority contracts.

We need to ensure that we use this money wisely to extend God’s kingdom. To do that, we need to nurture a culture at all levels of our movement that is transparent and mutually accountable.

The Stewardship Principles Development Group was established in 2019 under the direction of the

Territorial Operations Board and was tasked with the development of a set of overarching fiscal stewardship principles that would help to guide decision making across the Territory. After gaining feedback from Divisional Leaders and key budget holders, we can now affirm the five overarching principles contained within this document.

We also affirm the principles contained within the Accountability Movement and the Mission Accountability Framework to measure progress.

PASSION and SPIRIT

Where do we get energy for the journey?

PURPOSE

What is the reason for our journey?

PLAN

What is the plan and how will we measure our journey?

PROGRESS

How do we track progress and learn from experience?

PROCEDURES and SYSTEMS

Are our procedures and systems fit for purpose?

PEOPLE

Who is making the journey and how are the relationships?

We recognise that this will be a journey where we learn along the way and we believe that if we hold firm to these principles and exercise love, grace and patience with each other, then we can move forward. In this regard, we encourage everyone to remind themselves of the Territorial Mutual Accountability Charter which can be found on OurHub.



GOD OWNS IT ALL

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As stewards of God's resources we do not have any entitlement, only responsibilities.

KINGDOM VALUES

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We will strive for the highest standards of ethical behaviour and will act with honesty, integrity and transparency in our fiscal interactions.

ESSENTIAL PRIORITIES

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We will live within our available resources in the knowledge that we must also plan for the future.

MISSION EFFECTIVENESS

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Our available resources must be directed to places where they will have the greatest impact.

REQUIRED ACCOUNTABILITY

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Responsibility for fiscal stewardship and decision making will be delegated to the most local level possible whereby accountability is assured.

GOD OWNS IT ALL

‘The Earth is the Lord’s and everything in it...’
(Psalm 24:1)

God gives and loves graciously and generously! We know that all we are and all we have are gifts from God.

Stewardship is defined as: the careful and responsible management of something entrusted to one’s care. Stated another way, stewardship is faithfully using God’s resources to do God’s work.

We acknowledge that God is the source of each gift and possession, that we have a trusteeship over them and not an ownership. We are merely the stewards for His purpose.

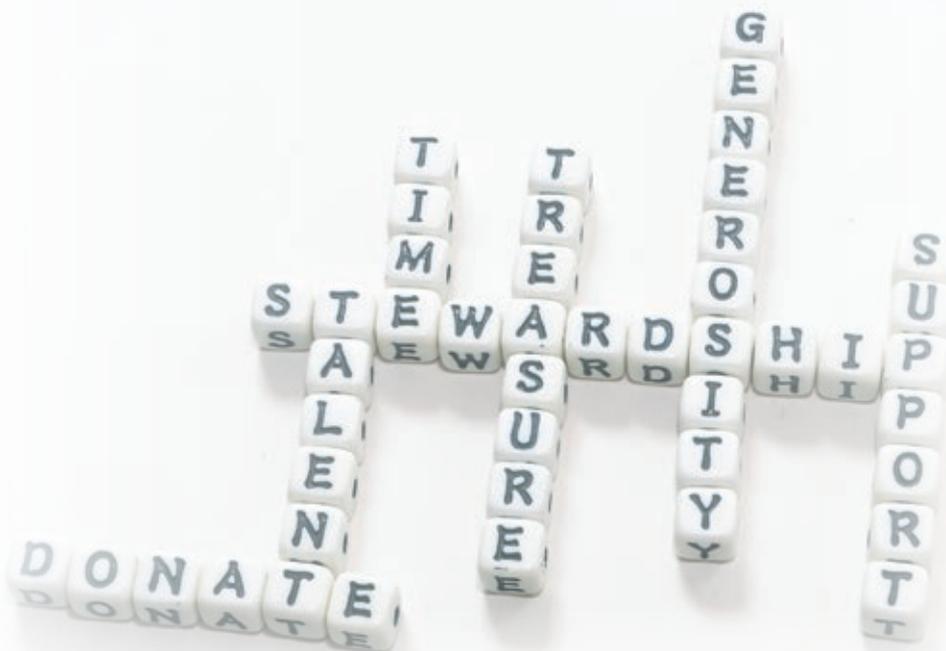
If we truly believe that we are responsible stewards of God’s provision, then our overarching fiscal stewardship principle needs to be:

As stewards of God’s resources we do not have any entitlement, only responsibilities.

Our mindset must always be *‘What does God want me to do with the resources he has entrusted to me?’* Every decision we make is spiritual and the way we choose to use our resources can be an indicator of our spiritual health.

While this paper focuses on fiscal measures, we also need to be good stewards of other resources entrusted to us - officers, employees, volunteers, property and so on. Indirectly, poor use of these resources can cost us money, too.

God gifts each person with boundless grace and unending love. Our response to that love and grace is to serve others and let generosity become part of our nature.



God invites us to be stewards of his creation and his grace, and responsible spending is a commitment to live a healthy, happy life together with God and others.

Our stewardship of financial resources should embody justice, love, and the safeguarding of creation. The teachings of Jesus challenge us to make lifestyle choices that are often countercultural. Therefore, our second stewardship principle is that:

We will strive for the highest standards of ethical behaviour and will act with honesty, integrity and transparency in our fiscal interactions.

Adopting this principle - based on biblically-based ethical standards - may mean that some decisions lead to an increase in our expenditure or lower possible returns on investment, but our primary consideration must be ensuring our decisions fulfil Kingdom values.

There is much already in place: we have an ethical procurement policy and the environmental committee based at THQ has made small and steady steps to help protect the environment. The promotion of 'Just Gifts' helps to tackle poverty and injustice around the world. These are just a few examples and we know that many corps and centres already take this responsibility seriously.

We should intentionally proclaim this principle because we are first and foremost a Christian church. The principle also fits in with our value of respect for people and planet, seeing the God-given potential in every person and being stewards of the environment.

Both corporately and as individual believers, we seek to recognise and challenge injustice and establish justice, and we strive to restore and be good stewards of all that God has created.

We also aim to connect with people through loving action and relationships, and show both passion in our ministry and compassion to all.

'Do not conform to the pattern of this world, but be transformed by the renewing of your mind. Then you will be able to test and approve what God's will is: his good, pleasing and perfect will'
(Romans 12:2)

'For we are taking pains to do what is right; not only in the eyes of the Lord but also in the eyes of others'
(2 Corinthians 8:21)



ACTION:
Valuing people

We will maximise the efficiency of our teams through effective management, enabling people to flourish and improving our overall retention.

DETAIL:

- Our people are our biggest resource. Although this is true financially, it is more important that our people are valuable to the Kingdom.
- A heavy use of agencies, high levels of sickness and high turnover are perhaps indicators that we need an open and transparent review of the reasons for this. This applies to everyone - officers, employees and volunteers.
- A regular review must be undertaken and cost-effective measures put in place to ensure that the problems highlighted by these indicators are minimised.
- We would like to see a wider recognition of and utilisation of the rich resource of transferable skills possessed by officers and employees, as well as development pathways across the organisation.
- We must ensure that our people receive fair pay and fair reward for what they do (Romans 4:4).

ACTION: Vehicles

The provision of cars will be thoroughly reviewed and must move towards more environmentally friendly vehicles.

DETAIL:

- God commands us to be a steward of the environment. Cars seem to be too readily available with no rigour surrounding their use. Our car fleet has expanded in recent years by giving additional pool cars to service centres and with the creation of additional roles.

ACTION: Fundraising and investments

We will ensure that both our fundraising and investments operate to the highest Kingdom values.

DETAIL:

- Although we are confident this is currently in place, we are moving into unprecedented times where there will be competing demands for money and far fewer opportunities to see growth in investments.
- We need to determine the right size of our capital base.
- Our policies in both areas will remain open and transparent.

We will ensure that our ethics and values are reflected with both our direct suppliers and throughout our supply chain.

ACTION: Supply chain values and ethics

DETAIL:

- We will use an approach that looks at areas that are at a high risk of labour breaches and violations, as well as focusing on areas where there is an opportunity for us to make a tangible positive impact on workers' lives and working conditions. We should also look to reduce distance travelled by our suppliers in provision of any service.
- We should have a clear set of ethical guidelines to be used at all levels within the organisation when choosing suppliers.

In line with caring for God's creation, we will strive to continually reduce the environmental impact of our operations and the operations of our supply chain.

ACTION: Environmental impact

DETAIL:

- This will include actions to make tangible reductions in CO₂ emissions, waste produced, and physical resources used.
- The work of the Environmental Committee should be made available across the Territory.



Another Kingdom value worth highlighting separately is integrity, as we often wrestle with the complexities of being both a church and a registered charity.

The apostle Paul was meticulous concerning the way in which monies were collected and distributed so that no allegations of impropriety would arise. He wanted the whole process to 'glorify the Lord'. As a result, great effort was made to assure donors that the monies given were used for the purposes for which they were contributed. To a certain extent, the two main trusts operated by our Territory were created for similar purposes.

Like the apostle Paul, our desire is to be blameless before the Lord regarding the generous gifts we are administering (see also 1 Chronicles 29:17). This principle aligns with our value of having integrity in everything we do; being reliable, trustworthy, transparent and honest in our personal and business relationships.

On a local level, we must expect every corps and centre to share financial information especially with those who contribute towards the finances.

ACTION:
Public funds

We will ensure that public funds are only used for the purposes for which they were given.

DETAIL:

- We have a responsibility to ensure that our finances are administered properly and 'in the light', transparent to our membership, the public and regulatory authorities.
- While it is recognised that different aspects of mission are not easily compartmentalised, it is essential that we can clearly identify how public funds are used.
- Whether at a territorial or local level, we must be transparent in how we raise funds, and we must ensure that public funds we believe were likely received because of our evangelistic activity or social and community work are clearly identified and used only for that purpose.
- It will be for every Corps/Centre/DHQ and THQ department to take an honest look at sources of income and ask if they truly believe funds are being used appropriately.
- There needs to be a review of both the central and social trusts and clarity given to the difference and purpose of each trust which must be adhered to.

Prayerful planning is a key component of our stewardship responsibility and having a financial plan is both biblical and will help protect us for the future. God promises us an abundant life but that is not encouragement to live beyond our means (John 10:10; 1 Timothy 6:6-10). Therefore, our next principle is:

'In their hearts humans plan their course, but the Lord establishes their steps'
(Proverbs 16:9)

We will live within our available resources in the knowledge that we must also plan for the future.

It would be foolish not to ensure we could pay for salaries, pensions, insurance etc., but there are other areas of financial management that are often unseen. We thank God that careful stewardship of our reserves in past years has seen us through the worst of various financial crises.

Due to the global pandemic, we now find ourselves in a place where our reserves are at risk and it will require good stewardship to ensure these are restored to protect us in future years. Giving this priority may well mean we have to put some things on hold.

At a more local level, our budgeting process is an opportunity to set priorities that support our mission. Strategic planning is far more likely to have effective mission outcomes than making ad-hoc decisions on projects and initiatives throughout the year. Once resources are allocated, decisions will need to be made on mission fruitfulness.



ACTION: General

We will ensure that our expenditure is less than our income.

DETAIL:

- The simplicity behind the idea to 'spend less than you earn' is clearly shared in Proverbs 21:20 - 'Wise people store up the best food and olive oil. But foolish people eat up everything they have'.
- On a practical level, this means that every budget holder accepts responsibility and accountability for not overspending on their agreed budget.
- There is already an agreed principle in place which says that nothing will be taken from a budget without the budget holder's authority. We recognise there are still some issues to be resolved, particularly with property, but this principle should continue to be in place.
- We need to improve timeliness and that accurate budget information is given to budget holders.

ACTION: Reserves

We will have a five-year plan to ensure we comply with The Salvation Army's reserves policy.

DETAIL:

- The reserves policy should be published in order to give confidence to stakeholders that our finances are being managed and can also provide an indicator of future funding needs.
- The biblical principle for having reserves can be found in Genesis 41:35-36 - 'They should collect all the food of these good years that are coming and store up the grain under the authority of Pharaoh, to be kept in the cities for food. This food should be held in reserve for the country, to be used during the seven years of famine that will come upon Egypt, so that the country may not be ruined by the famine.'
- The implication of this action is that we may need to reduce expenditure in other areas, and any additional income over and above what was forecast will be used to replenish our reserves.



We will budget based on available resources rather than previously approved budgets.

ACTION: Budget

DETAIL:

- This will require a change in culture and operation for how we currently budget. Rather than based on previous budgets, we will work to an allocation of available resources determined by the Territorial Operations Board.
- The Territorial Operations Board will have a strategic view of how much voluntary income is directed towards corps-based community work, centrally run services and support functions (THQ/DHQ/Service Centres). There should be transparency in this process and mechanisms to challenge budgets if felt necessary.
- Consequently, budget holders must not expect their budgets to rise each year automatically. This is especially true for support services (THQ / DHQ / service centres). This may mean difficult decisions have to be made.
- Budget additions must be strictly limited to expenditure that is funded locally, income generating, a mission priority or needed for compliance. Careful consideration must be given to the effectiveness of internal conferences and the overall number of projects.
- We will encourage all local mission expressions to become self-supporting if possible. Working together to fundraise can be a spiritual exercise in itself and for some people who do not have much personal wealth to share it can be very empowering when they can see that they can work towards fundraising.
- Where additional support is required, there must be a robust case for mission support and a detailed explanation for any proposed increase in budget requirements.



‘But seek first his kingdom and his righteousness, and all these things will be given to you as well’

(Matthew 6:33)

Biblically-based fiscal stewardship expresses our desire to love and help God, neighbours, ourselves, and the world. When we focus our giving on God’s purposes, our hearts become more aligned with God’s heart.

Innovation is a hallmark of The Salvation Army and the last thing we want to do is dampen our ability to dream visions, pray, discern the Spirit and propose new initiatives that we believe will further the fruitfulness of our ministry. What we rarely do is measure the impact of any of these initiatives, let alone our day-to-day programmes and activities. So, a further stewardship principle must be:

Our available resources must be directed to places where they will have the greatest impact.

The 21st-century Salvation Army needs to be realistic and humble about our capacity and, therefore, can no longer claim: ‘Where there is need, there is The Salvation Army.’ Long-lasting impact requires depth, rigorous knowledge and long-term focus on building deeper relationships.

It is not simply the quantity of an activity that should satisfy us (i.e. how much we do something), we should measure Kingdom impact by long-term relational change including seeing within ourselves and others a deepening personal relationship with Jesus Christ.

We find ourselves in a place where there is just not enough money to support all the requests for mission support. This presents the challenge of deciding which activities are most fruitful. One guide for this is the ‘five marks of mission’:

- Proclaiming and living out the good news of Jesus Christ
- Making, teaching and nurturing disciples
- Connecting with people through loving action and relationships
- Seeking to recognise and challenge injustice and establish justice
- Striving to restore and be good stewards of all that God created





Equally, as funding is given to The Salvation Army in trust, there must be a robust demonstration of the impact of our support functions. While we recognise that many functions are required for sound governance, some support functions have been allowed to grow unchecked without a clear remit that these are critical for the frontline.

Mission effectiveness is often viewed internally rather than seeking the view of those for whom the support service is directed.

This principle also fits in with our values of being bold in proclaiming the gospel in everything that we do and in fighting for social justice; having compassion for all people, and being passionate about unconditionally demonstrating God's love to everyone.

Adopting this principle encompasses two of the Fit For Mission Review recommendations, for 'an increased courage to reduce or end resourcing where missional impact is not evident, which in turn will provide additional resources' and 'an increased investment in innovative opportunities throughout the territory including new local expressions of mission and new programmes in existing corps and centres'.

The cost of our support functions (THQ/DHQ/Service Centres) must be open, transparent, and subject to regular reviews to measure the effectiveness to the frontline.

ACTION:
Support functions

DETAIL:

- The accountability of support functions to the frontline, and the opportunity for the frontline to comment on their effectiveness is essential.
- We must ensure our headquarters function is of the required size to effectively support the mission. There is no room for extravagant or unnecessary expenditure in our operations, although we recognise that in some areas increased investment may produce higher outcomes. Fundraising is one such example.
- We must continually optimise our administration and business processes (both up and down) to ensure our services are as effective as possible and maximise the allocation of resources and support given to the frontline.
- The cost and scope of support functions will be shared with the internal recipients of those services who should be able to comment on the effectiveness of what is provided. The Territorial Operations Board will review these reports and take any necessary action.

ACTION:
Mission support

Any request for mission support must be based on mission fruitfulness.

DETAIL:

- Our resources must be used in the most efficient manner to achieve maximum mission fruitfulness. That is: mission support must be allocated as a clear demonstration of Kingdom impact.
- Resources will be allocated based on a robust understanding of what indicators will be in place to measure mission fruitfulness.
- We recognise that work still needs to be done to create effective tools to help measure mission fruitfulness and we must avoid relying on quantitative evaluation and move towards more qualitative measures.



In order to allow for new local expressions of mission and new programmes in existing corps and centres we must make difficult decisions and propose to close existing corps and centres and/or individual programmes which are less mission-effective.

ACTION:
Pruning and growth

DETAIL:

- Pruning, whether physical or spiritual, is necessary for health and growth (John 15:2). With limited resources we need to take bold decisions, and any mission expression that cannot demonstrate Kingdom impact may have to be closed to pursue other areas of work that could deliver better mission outcomes.
- Through the Healthy Mission Working Group, we will prioritise the creation and implementation of sustainability metrics for use in all mission components, which evaluate the impact of our mission in relationship to the mission support investment.

Our subsidiary companies must have a clear definition of purpose regarding their relationship with The Salvation Army.

ACTION: Subsidiary companies

DETAIL:

- Our subsidiary companies must internally declare whether they exist to enhance mission, to raise funds, and/or simply to make our operations more cost-effective.
- In all cases, there must be a clearly defined plan and strategy with a fiscal indication of cost/profit that can be measured.

We will maximise the missional use and/or the income potential of our property portfolio.

ACTION:
Property assets

DETAIL:

- We need to make our property portfolio work for us. In some cases, this may be to sell surplus stock, but we also need to explore the opportunities to manage this commercially which could net higher returns and allow some programmes to become self-funding in the medium to long term.

REQUIRED ACCOUNTABILITY

‘Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master’s happiness!’
(Matthew 25:23)

God’s unconditional love for each of us is expressed through the life and ministry of Jesus Christ (John 3:16). In accepting God’s gracious gift of Jesus and our role as a steward of God’s resources, we become accountable to one another, God, and ourselves.

In adopting the principle of the parable of the talents in Matthew 25, there needs to be a culture change across the movement. We need to allow local centres to make strategic decisions that will make us fruitful in mission. This will require a change in how we budget and allocate resources such as mission support.

Equally, there must be no such thing as an assumption that overspending can just be covered by central funds. As stewards, we must hold ourselves fully accountable, both to God and to our peers, for how we have used the resources entrusted to us. As Jesus taught in the parable of the talents, we are also accountable for what we fail to do. So, our final fiscal stewardship principle will be that:

Responsibility for fiscal stewardship and decision making will be delegated to the most local level possible whereby accountability is assured.

The principle aligns with our value of being accountable to God in every area of our lives, and to others in all our dealings. It also closely aligns to the Accountability Movement and Mission Accountability Framework launched by IHQ in 2016.



Divisional and service budget holders will be given responsibility for, and be held accountable for, directing resources within their agreed budget portfolio to places that will have the greatest impact.

ACTION: Devolved responsibility

DETAIL:

- This will require a change in how we budget and administer resources, to allow a divisional leader or head of a centralised Service to manage a total portfolio of budgets rather than individual cost centres.
- Working within an allocated resource, they will also need to hold individual budget holders (corps/centres) accountable, since any mismanagement at this level may have implications across the delegated portfolio.
- It will empower decision-making for investment in new and innovative opportunities, including new local expressions of mission and new programmes in existing centres.
- In doing so, difficult decisions may also need to be made to close programmes that are less mission effective, in order to release additional resources.
- In keeping with the parable of the talents, those entrusted with this responsibility must hold themselves accountable to the Territorial Operations Board to demonstrate how effectively they have managed the resources entrusted to them for Kingdom impact.



ACTION:
Members' giving

Requests from corps for mission support will be considered on the basis that the worshipping community are themselves disciples who give generously.

DETAIL:

- It is recognised that some corps are in marginalised communities and the worshipping community may not have a lot of personal income which would reflect in their giving. There are other ways to measure generosity and this action could equally be viewed in the context of other areas of ministry, e.g. time and talents.
- It is the spirit of generosity to give 'as much as they were able' (2 Corinthians 8:3) that should be seen before reaching out for help from others.
- We would encourage all worshipping communities to look at programmes such as the Generous Discipleship programme.

ACTION:
Kingdom economics

We will practice Kingdom economics in the sharing of resources and discourage the unnecessary holding of resources at both a local and organisational level.

DETAIL:

- Expressions of mission that have been blessed with resources should also be accountable to ensure they are also being good stewards.
- We want to encourage greater collaboration between corps, centres, DHQ and THQ to share resources to extend God's Kingdom. The principle being that we do 'not look to your own interests but also to the interests of others' (Philippians 2:4). A good example was the inaugural Major Projects Conference where Divisional Leaders prayed together, collaborated and in some cases made sacrificial offerings. The result was that the 'ask' eventually matched the 'resource available'.
- At a local level, we want to encourage all expressions of mission, that are able, to contribute to others less blessed with resources.



CONCLUSION

We hope and pray that you grasp these principles as worthy of your own attention and application - they are not meant to be theoretical but lived out by everyone who is part of the Salvation Army family. We are, and always have been, a pragmatic Movement and our aim is not to provide you merely with empty words but with guidance for living and, in this instance, biblical, ethical, faith-based principles for stewardship of what God has given us.

While the principles are, we believe, lasting principles, the actions listed here may change with time and new actions may be necessary to maintain our focus on what is relevant and timely. To that end, we encourage you to consider your own, local actions for your ministry setting. It may be that you can discuss these principles with corps and program leadership and devise your own actions that fulfil these principles in your mission context.

We conclude this paper as we commenced it, by acknowledging that we are incredibly blessed because we have a very generous God who gives us 'immeasurably more than all we ask or imagine' (Ephesians 3:20). Praise God!





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