

Financial Literacy!

THLD 800.24 “Special Topics: Ministers Managing Money”

Tuesday/Thursday 9:00 to 10:30

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Course Description:

This course is designed for ministry leaders to study personal and church business concepts and basic administrative practices in order to enhance the vision and ministry of the church. Emphases include organizational structure, policies and procedures, financial processes, budgets, personnel issues, tax and legal issues, risk management, facilities management, church debt, social media, personal finances, donor issues, and stewardship philosophies

Tentative Course Schedule

Week	Tentative Topics	Assignment	Assignment Due
August 19 & 21	Introduction & Class Goals Review Resources & Assignments Financial Inventory – Personnel financial Statement	Personnel Financial Inventory/Statement Review of Financial Administration Text	August 21 for class discussion
August 26 & 28	Personal Budgeting & Church Budgeting	Preparation of Personal Annual Budget	August 28
September 2 & 4	Church Financial Statements & Analysis	Church Budget Assignment	Sept. 4
September 9 & 11	Minister Tax Filing & Church Tax Issues	Preparation of Minister Tax Return	Administrative Text–Part 1(Sept 9) Preparation of Minister Tax Return(Sept 11)
September 16 & 18	Credit -Personal Loans Church Financing	Church Financing Case Study	Sept 18
September 23 & 25	Donors & Stewardship Stewardship Philosophy	Church Policy Discussion	Sept 25
September 30 & October 2	Investing	Complete Investing Profile	October 2
October 7 & 9	Financial Planning/Estates/Wills/Trusts/Life Insurance		

October 14 & 16	Personnel	Church Incident/Event	October 16
October 21 & 23	Retirement Planning & Benefits/Social Security		
October 28 & 30	Church Organization		
November 4 & 6	Guest Local Administrator - Facilities Management		
November 11 & 13	Guest Speakers Legal Issues Risk Assessments, Management & Insurance/Healthcare		Administrative Text –Part 2 (Nov 13)
November 18 & 20	Student Presentation		Administrative Text – Part 3
November 25-27	No Class		
December 2 & 4	Open		
December 9 or 11	Final Exam		

Learning Outcomes

As a result of having taken this course, the student will demonstrate ability to:

1. Understand and apply concepts of financial administration to an organization and personal life.
2. Understand the concepts of incorporation, state the purpose and objective of a constitution, and explain the expected content of bylaws.
3. Develop a budget, read financial reports, and look for possible issues in the financial processes of a church.
4. Explain tax laws and regulations as they pertain to the minister.
5. Explain risk management issues of concern to a church.
6. Communicate a personal theology of stewardship.
7. Communicate the importance of ethical, sound business principles in the church.
8. Manage personal finances as a minister in the church

Final grades will be based on the following requirements:

Attendance and Participation: Because a large majority of class sessions will be spent in discussion, regular and on-time class attendance is a necessary part of the learning experience. Students are expected to be present for all classes, to have prepared readings and written work, and to participate actively in class discussions and exercises.

In accordance with the [McAfee Student Handbook](#), students must attend 75% of scheduled class sessions in order to receive credit for a course. In this course, students who miss more than 7 sessions will not pass the course. Three absences will be excused for each student. Two occasions of tardiness (beyond 10 minutes) and/or leaving early will be counted as one absence. After three absences the student's final grade will be penalized by 1/2 letter grade for

each absence.

Presentations: Each student will have presentations as part of assignments. The presentations should include a variety of teaching methodologies, including oral presentation and class discussion/interaction. Each presentation should include an understanding of the topic, concrete suggestions for ministry and a demonstration of a related skill or methodology. Presentations are expected to start on time, to be planned to make good use of the time allotted, and to stay within the time boundaries.

On the day of the presentation, the student should prepare and distribute a handout to the class. The handout should include an annotated bibliography of consulted sources; and a list of relevant resources for further exploration (e.g., websites, organizations). In lieu of paper copies, the group may email the handout to the class; however, this must be done no later than 5pm on the day prior to the presentation.

Late Assignments and Making up Work

Students will not be allowed to make up or resubmit work in order to achieve a higher grade. Late assignments will not be accepted under any circumstance for oral presentations. For assignments (i.e., research papers, book reviews, integration papers, case studies, etc.), any assignment turned in late will receive a half letter grade deduction for the first 24 hours late. Major assignments may be turned in up to one week late with a full letter grade deduction. No assignment will be accepted more than one week late unless a student has submitted a request for an Incomplete as detailed below.

Incompletes

The official policy of Mercer University states that a grade of incomplete ("IC") in a course will only be granted in cases of extreme or unusual circumstances that occur in the lives of students during the semester of study. If you feel that an incomplete is appropriate in this class, please submit your request in writing to the Associate Dean for Masters Studies by no later than the last day of scheduled classes for the current term. If an incomplete is granted, you will negotiate with the Associate Dean for Masters Studies an appropriate time frame for completing the work for the course. (Note that Mercer University policy requires that incomplete coursework be completed and a grade assigned by the last day of classes of the next full semester, or the "IC" will be replaced with a letter grade of ("F"). Please note that the granting of an incomplete does not automatically excuse coursework that was due before the request for incomplete status. If a student begins to develop a pattern of requesting "incompletes," requesting "incompletes" in consecutive semesters or on a recurring basis, he or she may be placed on probation.

Academic Integrity and Plagiarism

Please refer to the section on ACADEMIC INTEGRITY on pages 59-68 of the 2013-2014 McAfee Masters Student Handbook <http://theology.mercer.edu/academics/handbooks/>.

Life Circumstances

If at any time you are experiencing life circumstances that interfere with your class performance (including work/family demands, problems with childcare, etc.), please speak with the instructor as soon as possible.

Disabilities

“Students requiring accommodations for a disability should inform the instructor at the close of the first class meeting or as soon as possible. The instructor will refer you to the Disability Support Services Coordinator to document your disability, determine eligibility for accommodations under the ADAAA/Section 504 and to request a Faculty Accommodation Form. In order to receive accommodations in a class, students with sensory, learning, psychological, physical or medical disabilities must provide their instructor with a Faculty Accommodation Form to sign. Students must return the signed form to the Disability Services Coordinator. A new form must be requested each semester. Students with a history of a disability, perceived as having a disability, or with current disabilities who do not wish to use academic accommodations are still strongly encouraged to register with the Disability Services Coordinator and request a Faculty Accommodation Form each semester. For further information, please contact Richard Stilley, Disability Support Services Coordinator / Assistant Dean for Campus Life, at (678) 547-6823 or visit the website at <http://atlstuaffairs.mercer.edu/disability-services.cfm>.

Counseling and Psychological Services

If at any time you feel that emotional distress is interfering with your class performance, please speak with the instructor. If you would prefer to speak with someone else, you may contact Student Counseling Services at (678) 547-6060.

Inclement Weather

If severe weather occurs, classes will be canceled in accordance with the Associate Provost's decision of Mercer-Atlanta. Call the Mercer weather line for information about class cancellations—(678) 547-6111 (Atlanta) or listen to WSB 750 AM

Use of Technology

All students in this course are required to have regular access to email and to the internet. Email will be my primary mode of contacting students outside of class hours. The Mercer Blackboard site (<https://bb-mercer.blackboard.com>) will be used in this class. All course handouts (including readings, guidelines for completing assignments, and grading rubrics) will be made available via Blackboard. Students will also submit assignments and receive feedback using Blackboard.

Grading and Assignments

Preparation of Personal Financial Inventory/Statement	10
Preparation of Individual Student Annual Budget	15
Review Church Administration and/or Minister Financial Planning Handbook	
Part 1	10
Part 2	20
Part 3	20
Church Budgeting Assignment	15
Preparation of Minister/Clergy Tax Return	20
Church Financing Case Study	15
Complete and Submit Investor Profile	5
Church Policy Discussion - Preparation paper	5
Church Incident and/or event – Class Discussion paper	5
Class Participation	<u>10</u>
Total	150

Per Mercer Grading System

Final grades will be assigned based upon the following grading scale:

- A = 139-150 points
- B+ = 133-138 points
- B = 123-132 points
- C+ = 117-122 points
- C = 105-116 points
- F = 104 points or below

Cumulative grade point averages are computed on a quality point system. The interpretation of the letter grades and their quality point values is as follows:

- A Excellent 4.0 93%-100%
- B+ Good 3.5 89%-92%
- B Good 3.0 82%-88%
- C+ Average 2.5 78%-81%
- C Average 2.0 70%-77%

F Poor 0 Below 70%
FQ Failure-Quit Attending/Never Attended 0

Suggested Student Resources (Class to add to group resource list)

National Association of Church Business Administrators (NACBA) www.NACBA.net

Church Law & Tax (Richard Hammer) www.churchlawandtax.com

Church Finance Today (Richard Hammer) www.churchfinance.com

Minister Tax Guide (SBC) (Richard Hammer) www.guidestone.org/taxguide

https://www.google.com/url?q=http://www.guidestone.org/taxguide&sa=U&ei=HPvXU9GmNYSNyAT074GYAQ&ved=0CAUQFjAA&client=internal-uds-cse&usg=AFQjCNEc0c2VbUqfZDGmU3X4Gn_pZ4IfTA

Assignments

Preparation of Personal Financial Inventory/Statement (Example: bank form for personal financial statement).

https://www.usbank.com/small_business/sub_global/pdf/Personal_Financial_Statement.pdf

Each student will prepare their own personal financial inventory/statement. This can be done using the sample form provided (see link above), personal financial software, online tools or forms used by already existing relationships of the student. While forms are a guide, and primarily include all assets & liabilities; including student sources of income and amounts will be helpful in future assignments and class discussions. Expenditures especially will come into play during budget discussions.

Note: for students with personal financial software, online, through banking relationships or purchased programs the output from the software programs can be used to meet both financial inventory and budget assignments. Extra credit will be provided for those who provide analysis of software used and difficulty, cost and information to class.

Preparation of Individual Student Annual Budget

Students are to prepare and submit an annual budget for their own personal finances. This can be projection of the next year or include portion of the current actual expenditures with projection of the future to be inclusive of a complete year.

Review Church Administration and/or Minister Financial Planning Handbook – Three Part

Below are several church administration handbooks or guides. These illustrations come out of years in the Baptist administration in the south. Many of you have experience in non-Baptist life or are looking for ministry beyond the local church. I want the class to experience issues beyond just exposure to the way Baptist church polity and administration is practiced. So as a result I want each of you to explore guides and handbooks from you own faith background, or other interesting faith groups and other not-for-profit ministry areas for texts providing administrative/financial guidance.

Part One - The first step of this assignment is to identify for the assignment a text of your choosing and submit general information about the text for approval to use in this assignment. Since this course is for your development, it could be for personal financial improvement, local church financial administration, or other not-for-profit financial and administrative guidance.

You will need to justify your reason for selection, outline of text, topics included; some feel for adequacy and length, copyright date, introduction of author(s), and legitimacy of publisher.

Part Two - Then you will be required to document and review the text for the class. Outline significant concepts, value to you and the class. You will be evaluating, outlining the strengths and weaknesses of the text in writing and for presentation to the class, including cost and related benefit of the text; including your recommendation to fellow students for future use of text as future teaching tool and as reference for needed life skills.

Part Three – After each presentation each student will provide a paragraph on impressions of text, presentation, and value of exercise related to text.

Text Examples

Church Administration, Effective Leadership for Ministry by Charles Tidwell, published in September 1985, 256 pages

Church Administration Handbook, by Bruce F Powers, published January 2008, 352 pg

The Business of the Church, by John Wimberley, published May 2010

Church Administration: Creating Efficiency for Effective Ministry, by Robert Welch, published in 2011, 415 pages

Church Budgeting Assignment

Acquire a local church or nonprofit budget, preferably one where you are involved in the process and evaluate budget presentation, adequacy of information, and viability of projected budget. Make written presentation of budget analysis and participate in class discussion with budget selected.

- Does budget agree with mission/vision of organization?
- What is the budget preparation process?
- What do the categories of expenditure tell you about health and priorities of entity?
- Can you draw additional conclusions?

Preparation of Minister/Clergy Tax Return

Prepare a 2013 individual 1040 Tax Return for the case study below.

Tax Case Study - Rev. John Michaels is the minister of the First Church. He is married and has one child. The child is considered a qualifying child for the child tax credit. Mrs. Michaels is not employed outside the home. Rev. Michaels is a common-law employee of the church and he has not applied for an exemption from SE tax. The church paid Rev. Michaels a salary of \$45,000. In addition, as a self-employed person, he earned \$4,000 during the year for weddings, baptisms and honoraria. He made estimated tax payments during the year totaling \$12,000. He taught a course at the local community college, for which he was paid \$3,400. Rev. Michaels owns a home next to the church. He makes a \$1,125 per month mortgage payment of principal and interest only. His utility bills and other housing-related expenses for the year totaled \$1,450 and the real estate taxes on his home amounted to \$1,750 for the year. The church paid him \$1,400 per month of his salary as his parsonage allowance. The home's fair rental value is \$1,380 per month (including furnishings and utilities).

Students may use forms from www.irs.gov or through the use of tax preparation software or online tools. Students will be graded on accuracy of return preparation.

Church Financing Case Study

Make a recommendation regarding the selection of a bank to finance church debt in the following case study.

The local church is approaching the end of their financial agreement. The current arrangement requires a principal payment of \$100,000 per year plus monthly interest. While the church has made significant strides in reducing the debt the annual principal required and interest is a challenge given current budget constraints. The current loan balance is approximately \$400,000.

Local Church Refinancing						
Loan Refinancing						
Bank	Rate	Term/Yrs.	Cost/Rate	Cost/\$	Deadline	Notes
1	4.49%	7	1%	\$ 4,000.00		Closing Costs, Environmental review
2	3.02%	5	0.5%	\$ 2,125.00		Variable Rate, Free checking
3	3.50%	5	0.5%	\$ 2,125.00		Plus Closing fees, Deposit Agreement, 1% prepayment fee
4	3.89%	5	0.025%	\$ 1,062.50		Plus Closing costs, Depsit Arragnement, Free Checking
5	5.70%	5	1%	\$ 4,000.00		Refinancing fee 1%

Please provide in writing your choice for financing and describe your decision process and analysis, include calculations and considerations.

Complete and Submit Investor Profile

Complete and submit investor profile <http://www.churchbenefits.org/cbbv2/files/bb/bbcd20e8-59ff-4f47-ab4e-6124e9fd09e4.pdf> and review investment allocation <http://www.churchbenefits.org/cbbv2/files/89/89153188-e42c-49ed-912f-090f66bad40a.pdf>

Church Policy Discussion - Preparation paper

Submit one example of a church policy. This can be a building/facility, budget/finance, office, or personnel policy. Preferably, this would be an actual policy from your own church, however it may be one from your experience or in the media.. Email a copy to the instructor and to classmates prior to class, with observations and concerns. Bring a hard copy to class for the instructor.

Church Incident and/or Event – Class Discussion paper

Submit one example of a church that is having a legal, financial or personnel issue that is disruptive to the ministry of the church. This can be an issue that you know of or have experienced personally or an issue that you found from a journal or news source online or in print.