1975


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*Louisiana State University and Agricultural & Mechanical College*

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CHURCH INFORMATION SYSTEMS: AN EMPIRICAL INVESTIGATION OF THE EFFECTIVENESS OF CHURCH INFORMATION SYSTEMS IN PROVIDING DATA FOR DECISIONS.

The Louisiana State University and Agricultural and Mechanical College, Ph.D., 1975
Accounting

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CHURCH INFORMATION SYSTEMS: AN EMPIRICAL INVESTIGATION
OF THE EFFECTIVENESS OF CHURCH INFORMATION SYSTEMS
IN PROVIDING DATA FOR DECISIONS

A Dissertation
Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

in
The Department of Accounting

by
Lucian G. Conway, Jr.
B.A., Louisiana Tech University, 1970
M.B.A., Louisiana State University, 1971
August, 1975
DEDICATION

This dissertation is dedicated to the most talented man I have ever known who planted the basic thoughts from which this dissertation grew, Lucian Sr.; to the one whose tenderness and encouragement sustained me in my tedious trek to completion, Evelyn; to the one whose very countenance and strength of character provided daily support, Janice; and to my God who makes all things possible.
ACKNOWLEDGMENTS

In the beginning I had a dream of completing this project. But a dream remains unfulfilled unless it is accompanied by a vision of how the dream is to be accomplished. Even after the vision of the step-by-step achievement of the dream is crystalized, sufficient effort must be expended in order to achieve the dream. John Donne once said that no man is an island unto himself. Never were truer words spoken for no one could complete a project such as this without the help and encouragement of other people.

To mention all who have helped and encouraged me in achieving this dream would be impossible. Only a scant few names are mentioned of the many who helped. Acknowledgment and thanks go to my doctoral dissertation committee members for the contributions of their seemingly unbounded expertise, editorial service and encouragement. Each in his own way provided talents which made this study a success. The dissertation committee was chaired by Dr. Daniel G. Kyle, whose name bears special mention because when I was discouraged he encouraged me and when I needed guidance he guided me and when I needed quick reading of the chapters he accommodated me.

Special acknowledgment is given to Dr. William Swyers for aid in developing the theory of church information systems and to Dr. Lee May and Mrs. Kerrie Keagan for aid in developing the history.
of Southern Baptist Convention Church Information Systems. Special acknowledgment is given to the following people for aid in developing the case study data: Rev. Perry Sanders, Dr. Jimmy Draper, Rev. Roger Richards, Rev. Don Dyer, Dr. John Shanks, Jerald Wallis, C.P.A., and Charles Cowley.

Special acknowledgments go to Dr. Loudel Ellis for her reading and philosophical guidance in the early stages of the project. Special thanks go to Evelyn Conway and Rev. L. G. Conway, for reading and editorial help and also encouragement. Special thanks go to my wife, Janice, and my two children, Luke and Elizabeth Ashley, for their patience with their husband and father in this project. Janice did much reading, editing, and typing of the study.

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Each of the people mentioned above in addition to others not mentioned helped to mold the thoughts which make up this paper and to them I am forever grateful.
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ABSTRACT

In recent years an interest has been shown in church information systems for large churches in general and particularly in systems for gathering, processing, and reporting accounting and membership data. Based upon recommendations by the committee for not-for-profit organizations of the American Accounting Association and on recommendations by various leading writers, leading church administrators and users of data provided by the present systems, this study was undertaken to study the effectiveness of church information systems of large churches in providing data for decisions.

Local church units of the Southern Baptist Convention (SBC) were the focal point of the study. The SBC is the second largest religious body in the United States. Based on a general theory of church informations systems, a brief history of the SBC church information systems, and case studies of large SBC churches, recommendations are made for improvement of the ability of church information systems to effectively provide data for decisions.

Church information subsystems are identified, studied and classified as financial information subsystem, the personnel information subsystem (which includes employee information and membership information), and the logistic information subsystem. As a result of violation of the principles of planning, the church information systems studied were not oriented to the decisions desired to be made by the
decision making units of the churches. The primary emphasis was on control and not on optimal decision making. Thirty-seven recommendations of the study are classified according to four basic principles of church information systems deduced in the general church information systems theory section of the study.

1. Church information systems should be properly planned.
2. Church information systems should be properly designed.
3. Church information systems should be properly utilized.
4. Church information systems should be properly controlled.

The recommendations center around the dysfunctional effects of the separate maintenance of the financial and personnel information sub-systems, the failure to allocate costs of decision centers (or responsibility centers), and the failure to gather data on achievement of objectives. It is recommended that the smallest data elements needed for decision making purposes be input into an integrated computerized church information system. The data elements are aggregated to form reports which are reported on a pyramid basis. That is the lower level responsibility centers receive detailed reports with upper level responsibility centers receiving more summary reports. Key ratios are recommended to be included in the reports.

It is recommended that all costs of the organization should be allocated to the responsibility centers on the basis of utilization. In particular one of the main costs incurred was fixed asset costs related to plant and equipment. Depreciation should be recognized as an expense of achieving objectives and allocated to appropriate responsibility centers based upon space utilization.
Many other recommendations are made with respect to SBC internal and external information systems for the planning, designing, utilizing, and controlling of SBC church information systems.
CHAPTER I

INTRODUCTION TO THE STUDY

BACKGROUND

In recent years there has been emphasis on the need for development of sound accounting practice in not-for-profit organizations. In particular, the American Accounting Association Committee on Accounting Practice for not-for-profit organizations has expressed a need for research into this area: "Likewise we have tried to stress the need for future imaginative development in this area." Many forms of so-called not-for-profit organizations exist. One such form is the church and it is on this particular form of not-for-profit organization, the church, that this study focuses.

The quality of data provided by church information systems has taken a small but important step forward in the past decade. During this period more churches have been recognizing the need for a conscientious effort aimed at developing a well designed information system which will provide data for helping each church achieve the most effective program possible with the use of a given amount of money. Recognition of this need is in sharp contrast to earlier periods when antiquated church information systems were "handed down" from treasurer to treasurer. The "hand-me-down"

---

1"Report of the Committee on Accounting Practice of Not-For-Profit Organizations," American Accounting Association Committee on Accounting Practice of Not-For-Profit Organizations, The Accounting Review, XLVI (1971 Supplement), p. 82.
systems consisted of mere logging the history of the church activities and had little relevance to planning for effectiveness and no emphasis on specific data needs of the later decision-maker.

In spite of this small step, the opinion still exists that few churches have recognized the need for improved data and even fewer churches have made serious efforts at improvement in this area. Churches simply have not participated in the information "explosion" partly brought about by the advent of computer applications. In light of the need for improved church information systems as expressed by many pastors, administrators, and writers, this study is undertaken.

**Definitions**

Several key words and phrases should be defined and explained in order to gain a clear understanding of words used in this study. They are as follows: (1) church, (2) information, (3) systems, (4) information systems, and (5) church information systems.

**Church.** For purposes of this study church is defined as a "local assembly or organization of baptized believers, banded together for the full performance of the will of Christ."\(^2\) Notice this definition indicates a local church unit instead of an association of churches.

**Information.** Information for purposes of this study is defined as "any distinct signal element forming part of a message or

communication."³ This is similar to bits of information in a computer system whereby each bit of data has a purposeful end.

Systems. Systems for the purposes of this study is defined as "an orderly combination, or arrangement, as of parts or elements, into a whole; specifically, some combination according to some rational principle; any methodological arrangement of parts."⁴

Information systems. Information systems for purposes of this study is defined as an orderly combination, or arrangement, of distinct signal elements forming parts of messages or communications linked together and forming a whole to provide data for decisions.

In the definition for systems it was stated that a system is some combination according to some rational principle. The rational principle upon which an information system is based is usefulness of information to the decision maker. The system must provide useful data.

Church information systems. Based on the preceding definitions, a definition of a church information system can be derived. A church information system is an orderly combination, or arrangement, of distinct signal elements forming parts of messages or communications linked together and forming a whole to provide data for decision making purposes by a local assembly or organization of baptized

⁴Ibid., p. 1274.
believers, banded together for the full performance of the will of Christ.

**Concept of Church Information Systems**

Information systems can be classified on the basis of the type of information. There are two basic ways to classify information. It can be classified as quantitative or non-quantitative. Quantitative information includes both accounting and non-accounting information. Accounting information can be further classified as operating information, financial accounting information, and management accounting information. A chart depicting this relationship is shown in Illustration 1.

Using Illustration 1 as a steppingstone, a clear concept of the types of information systems can be drawn, as shown in Illustration 2, by simply adding the word "systems" to the various types of information.

Using Illustration 2 as a further steppingstone, a clear description of a church information system can be shown by simply adding the word "church" in front of each type of information system. This is depicted in Illustration 3. It is evident then that a church information system is a very broad concept including all the sub-systems shown in Illustration 3.

The lines separating these types of systems are, of course, not sharply drawn. However, accounting, when viewed from a broad perspective such as accounting for decision making, encompasses much more than the traditional financial accounting system. It encompasses all information flows which can be accounted for. This removes some of the not so sharply drawn lines of separation.
Illustration 1
Types of Information

INFORMATION

consists of

Nonquantitative Information

Quantitative Information

consists of

Accounting Information

Nonaccounting Information

operating Information

Financial Accounting Information

Management Accounting Information

Illustration 2
Types of Information Systems

Information Systems

consist of

Nonquantitative Information Systems

Quantitative Information Systems

consist of

Accounting Information System

Nonaccounting Information Systems

consist of

Operating Information

Financial Accounting Information Systems

Management Accounting Information Systems
Illustration 3
Types of Church Information Systems

Church Information Systems

consist of

Nonquantitative Church Information Systems
Quantitative Church Information Systems

consist of

Church Accounting Information Systems
Church Nonaccounting Information Systems

consist of

Church Operating Information
Church Financial Accounting Information Systems
Church Management Accounting Information Systems
Purpose of Church Information Systems

The purpose of a church information system is to provide church decision makers with relevant data for making optimal decisions. The objectives and goals of the church help to identify types of decisions to be made; and from analysis of the types of decisions made and the decisions systems, a determination can be made of relevant data needed to make those decisions.

Responsibility for Church Information Systems

The responsibility for the development and maintenance of church systems has rested in the past with both volunteer workers and paid employees. In small churches the church information system is a "hand-me-down" and is maintained by a volunteer worker. In larger churches, the church information system (particularly the recording and the reporting aspects) is maintained by paid employees, but often the church information system is still a hand-me-down system which is routinely followed year after year.6

Usually there is not a designated person in charge of all accounting information systems and there is seldom a person designated to have the responsibility for developing and improving the total church information system. The fixing of responsibility for such tasks has been a problem of churches for many years.7

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6 Statement by Roger Richards, Pastor, First Baptist Church of Pineville, in a personal interview, Pineville, Louisiana, May, 1974.

Often the responsibility falls on a CPA-member (or some other person with some accounting background) who volunteers his services to the church. He is from the outset a busy man charged with a monumental bookkeeping advisory task. Church members, as a rule, do not understand the time it takes for him to keep a church bookkeeping system operating. Because he already works very hard he usually has little time to make any concentrated effort at significant overall improvement of the church information system.

A few of the very large churches do have a church manager who has broad responsibilities in the area of church information systems.  

**Users of Information Provided by Church Information Systems**

There are many people in each church who use a variety of different types of information for decision making. The number of people and the degree of sophistication of the information provided depends many times on the size of the church.  

Users of information can be classified according to internal users or external users. Internal users in the large church, for example, would include the pastor, minister of music, minister of education, activities director, deacons, hostess, cook, youth director, custodian, various secretaries, various committees, and of course, the general membership.

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8 Statement by John Shanks, Business Administrator of First Baptist Church of Dallas, in a personal interview, February 10, 1975.

9 Ibid.
External users would include mainly banks and other creditors, church denominational bodies, and other churches. Banks and other creditors are interested in information which indicates ability of a church to pay its notes and accounts on time. Church denominational bodies are interested in information related to the progress of the church; and other churches want to share techniques and tools for improving efficiency and effectiveness of their own programs. This study is limited to internal users.

NATURE OF THE PROBLEM

The problem upon which this study focuses is that of determining the extent to which sound information systems theory has been applied in churches of the Southern Baptist Convention and of discovering methods of improving church information systems as they currently exist by identifying information needed by the decision maker and determining ways of making the information available to him. As such, the basic objectives of this study are stated below.

1. To make recommendations for a model church information system for large Southern Baptist Convention churches.

2. To deduce the basic principles of church information systems theory based upon the principles of general systems theory and information systems theory.

3. To present a brief history of Southern Baptist Convention Church Information Systems theory to provide perspective for the recommendations for a model system and to identify techniques used and information provided in the past which might be useful today.
4. To identify the basic information systems within Southern Baptist Convention churches and the decision makers who use the systems.

5. To do all the above in such a way as to show the relationship of accounting information to other information provided in churches.

Problem Development

Many people would say that only an insensitive person or an obtuse person would suggest that a church be run in a businesslike manner. These people shun the advantages of business concepts outright. For example, one concept that business emphasizes is internal control. Some churchmen stand in open defiance of internal control by advancing such rebuttals as "anyone who gives time to the church as treasurer should be trusted to handle funds honestly and properly," or "newspapers rarely contain articles about thievery within churches." The reason no theft is reported in the newspapers could very well be that internal control is so weak no one is caught.

These rebuttals have been used to refute the idea that a church, just like a business, needs an information system which provides for the safeguarding of assets and for assurance of the integrity of the accounting records. The rebuttals overlook the fact that internal control is not a business concept--it is a concept which has been applied and improved by business. The concept is very applicable to churches, even though churches have neglected its uses.

The suggestion of adequate internal controls for churches is not that all thievery be stopped, for this is probably an insignificant percentage of loss. The point to be made is that waste and inefficiency can be reduced. In business more money is lost through waste and inefficiency than through dishonesty—and the same is far more likely to be true in churches. The American people give billions of dollars every year to churches and they are entitled to a clear accounting of where their money is spent. More often than not they fail to get it.\(^{11}\)

Internal control is but one area of retardation in current church information systems.\(^{12}\) There are many other concepts and analyses which have been primarily used and developed by business and neglected by churches. Why is it that many small businesses develop information systems which provide for elaborate, but excellent, budget systems while churches with twice to twenty times the funds haphazardly slip along with weak budget plans which seldom consider more than the immediately following year? Why is it that small businesses have an information system which provides for and includes an extensive system of ratio analysis while large churches have no such information or analysis? In short, why have churches not participated in the information explosion? The answers to these questions may be single or multiple. Only a well designed research project can find the answers to these questions and others of a similar nature.

\(^{11}\) Ibid.

\(^{12}\) Ibid.
Whatever the answers are, the same problems have been in existence for a number of years. The sparse appearance of articles concerning church information systems is universal in accounting literature. The few articles which have appeared have with one accord espoused the same theme—"inadequacy of church information systems."

One recent article which illustrates this point was summarized excellently in the July, 1973, issue of Management Accounting.

"In the December, 1972 issue of MANAGEMENT ACCOUNTING, my interest was captivated by the article, 'Today's Sermon: Financial Management of Church Affairs.' I was appalled by the apparent lack of adequate financial guidance in the handling of church revenues and expenditures as described in this article.

"The article indicates that many people who are active in the church's financial affairs have never been exposed to a basic business or bookkeeping course in either high school or college. However, thanks to the efforts of these more willing workers, the accounting functions are handled but with a minimal degree of sophistication--a balance sheet is almost unheard of in such churches.

"Messrs. Petry and Fenton are to be commended for their idea of initiating a workshop to improve the financial management of church affairs in Greater Indianapolis. I would expect this workshop idea to sweep the country in a few months as soon as church leaders learn of its success in Indianapolis. Mr. Petry's outlines and research information will be in demand even before he starts writing the book he is planning to write. In the interim, I hope he will follow his Chapter's recommendation by writing an article on this topic for MANAGEMENT ACCOUNTING."

In summary, the problem which exists is simply that advances in the adequacy of church information systems have not kept up with technology. Even though churches are the largest enterprises or institutions in many cities, they frequently have the least developed

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information systems. This simply should not be the case since churches have many of the same characteristics as profit enterprises.\(^{14}\)

Now that the problem of underdeveloped church information systems has been discussed, the writer turns to why the problem exists.

**Why Inadequacies Exist**

Why do inadequacies of church information systems exist in churches today? The answer to that question can be traced to the nature of the accounting profession. There is greater interest among accountants in more lucrative fields; tax work has demanded center stage, and no one seems to be interested in writing or researching about churches. Why do churches receive little attention by accountants? Is it because churches are not large enough or do not have a need for sound information? No, these are not the reasons because many churches have yearly cash receipts in the millions of dollars and many churches have one hundred or more paid employees.\(^{15}\)

Is the reason for little attention because churches are not prestigious institutions? Is it because churches do not want the help of the accounting profession? Is it because the profession does not have the ability or knowledge to help? Is it because the nature of the church information system is vastly different from other non-profit institutions and businesses? No, these are not


\(^{15}\)The First Baptist Church of Dallas for example has 213 full time employees and an annual cash receipts of over four million dollars.
the reasons there is little writing or research in the area of church information systems.

The reasons for neglect of these large and important institutions are three-fold. The first reason is that churches have no influence on the American Institute of Certified Public Accountants, American Accounting Association, or National Accounting Association. A glance at the workings of the now defunct Accounting Principles Board illustrates one reason why churches have no influence on the profession. When the pooling of interest controversy was at its peak, everybody (CPA's, financial analysts, and stockholders) was demanding that a definitive APB opinion be published. As a result, research studies were generated and APB 16 was published to tighten the guidelines. Because of their very nature churches are not prone to insist on help like the CPA's and financial analysts did, to complain about inadequacy of church information systems, or to call attention to the profession's lack of response to their needs. Most churches are not even aware of how the accounting profession could help them, and the sad aspect is that many CPA's who serve as church treasurer are reluctant to seek changes.16

To summarize the illustration, churches have but one link with the profession, the CPA-treasurer (or someone who functions in that capacity). This CPA-treasurer is the accounting spokesman for the church, and even he has failed to demand help from his profession. As a result, church information systems have been neglected by the

16 Statement by Jerald Wallis, CPA, Chief Controller, First Baptist Church of Dallas, in a personal interview, Dallas, Texas, March 29, 1975.
profession as a whole, by individual CPA's and by accounting writers in general.

The second reason for the lack of interest in writing and researching about church information systems is the large number of denominations and the diversification therein. The feeling is that each denomination is vastly different in its objectives and that it would be futile to research one because of likely non-applicability of results to other denominations.17

This is fallacious logic. Many Christian denominations have the same overall objectives, and many denominations are separated only by small lines of theological differences. Baptist, Methodist, and Presbyterian are good examples. Therefore, their information systems should be the same or at least quite similar. This means that similar parts of the information systems would be interchangeable.

The third reason for the lack of interest by the profession is that quite often churches themselves exhibit a lack of interest at improvement.18

This view has contributed to the lack of progress of church information systems. Many years ago industry had this same view. They looked at accountants as mere bookkeepers. Today, industry has a higher respect for accountants because it realizes that better decisions can be made when better information is at hand. In the next generation, hopefully, churches will make the same advances in the

17 Ibid.
18 Ibid.
sophistication of information systems that industry made in the last generation. Churches today, however, are not recognizing the needs in this area. They are about a generation behind industrial information systems.

Elements of the Problem

A basic objective of this study is to improve the design of church information systems. Some of the elements of designing a good information system include the following:

1. Analysis of the decision system.
2. An analysis of information requirements.
3. Aggregation of decisions.
5. Design of control of the control system."19

SCOPE OF THE STUDY

The scope of the study covers the following parts: population, geographical boundaries, applicability to other denominations, and contributions of this study to accounting literature.

Population

The churches included in the case study portion of this study are four large churches which are members of the Southern Baptist Convention. Large churches are defined as churches with a church membership of 1,000 or more.

The population of this study includes all large churches as listed by the Sunday School Board of the Southern Baptist Convention.

A judgment sample of four churches was chosen from this list. As previously stated the term "church" includes a local church unit and not an association of churches. Therefore, this study has as its basic population individual Southern Baptist Convention churches operating as autonomous units. "There is no 'Baptist church' but multitudes of Baptist Churches, each one a complete and independent unit within itself."\(^{20}\)

The churches selected for the case study were chosen on the basis of their representation of the population as a whole. Churches selected are from large as well as small towns. Two churches which have a computer based information system are included. Interviews conducted indicated that the churches selected are representative of the population of churches as a whole.

The Southern Baptist Convention (SBC) was chosen over other denominations for six reasons.

1. The basic organization of the SBC church unit is representative of a wide range of denominations such as United Methodist, Presbyterian, Jehovah Witness, and Church of Christ. These and many others are interested in the same basic objective, an active outreach program as well as ministry and Bible study within the church.

2. There are many close similarities between the Southern Baptist Convention church and businesses.

   a. The SBC is interested in actively promoting a product—the gospel of Jesus Christ.

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\(^{20}\)Dana, op. cit., p. 22.
b. Each individual church is autonomous and has chosen to associate with the SBC. The SBC church is similar to a business in that each church makes all of its individual decisions. (No edicts are handed down).

c. The SBC has some of the largest single churches in the world.

d. The SBC participates in all outreach aspects (hospitals, nursing homes, foreign missions, needy, and others).

3. The SBC is a progressive organization and has shown a willingness to cooperate with this study. Even though churches have shown a lack of interest in past generations, there is clear evidence that they are now ready to begin improvement of their information systems. The SBC voted in its past convention as one of its goals for the coming year to begin a self-improvement program. This marks the beginning of the generation of improvement for Southern Baptists.

4. The SBC is regionally preferable because it is stronger in the southern portion of the United States.

5. The writer has worked in and around Southern Baptist Convention churches all his life and is familiar with their organization.

6. The SBC is sufficiently large to provide meaningful results. There are 34,665 churches which provided total SBC revenues of

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21 Personal Interview with Dr. Robert L. Lee, Executive Secretary of the Louisiana Baptist Convention, Baptist Building, June, 1974.
$1,136,238,734 in 1973. The Southern Baptist Convention is the second largest religious body in the United States with a total membership of 12,067,284.

**Geographical Boundaries**

This study is further limited to Southern Baptist Convention churches inside the United States. There exists world wide aspects to church information systems but administrative considerations precluded expansion of the geographical boundaries.

**Applicability to Other Denominations**

The fact that this study is limited to churches of the Southern Baptist Convention does not preclude its applicability to churches of other denominations. There are many similarities between the Southern Baptist Convention and other denominations. As previously mentioned the differences between many denominations are small theological differences. The similarities in basic Christian philosophy and objectives are quite similar. But this study will be primarily developed around and oriented to the special problems that are relevant to Southern Baptist Convention churches.


Contribution to Accounting Literature

Fill a void. The study helps to fill a void in the accounting literature. Seldom is an article seen on church information systems. In a recently published composition of fifty articles, Accounting and Society, edited by Ralph W. Estes, not a single article dealt with any aspect of church accounting or church information systems in any way. Evidently the editor could not find any articles worthy of publication dealing with church information systems or surely he would have published them. It seems a certainty that any book dealing with accounting and society should include at least one article on churches.

Gather pertinent data. The study gathers pertinent information and analysis of data about the current structure and current needs of church information systems as well as suggests ways of improving the systems.

Methodological steppingstone. This study adds to a new field of inquiry on an in-depth basis, thereby providing a methodological steppingstone for other dissertations in different denominations.

Church literature. This study provides a common bridge between accounting literature and church literature. In addition, it contributes significantly to church literature which is lagging in information systems theory.

This study proceeds from the general to the specific in four distinct phases (see Illustration 4 on page 23). The three foundation phases, information systems theory development, history of SBC church information systems, and case study of churches, provide a foundation or pool of knowledge upon which to make recommendations for a model church information system. The fourth phase then makes general recommendations for the planning, designing, utilizing and controlling of a model church information system for large SBC churches.

Foundation Phases

This study begins with a look at the field of information systems theory in Chapter II. This involved a search of all current literature. Information systems theory provides a philosophical foundation for the remainder of the study.

Chapter III becomes a little more specific, and a brief history of the Southern Baptist Convention churches and their information systems is presented. This phase of the study involved a literature search as well as interviews and correspondence. This history phase, built partially on the first phase (theory), provides additional foundation for the remainder of the study, and further narrows the scope of the paper from information systems to Southern Baptist Convention church information systems.

The third phase of this study, presented in Chapter IV, is the final foundation phase and continues to narrow the field of inquiry by keying in on specific parts of church information systems.
Illustration 4
Research Methodology

General

Chapter II Information Systems Theory

Chapter III History of SBC Church Information Systems

Chapter IV Case Study of Church Information Systems

Chapter V Recommendations for a Model Church Information System

Specific
Intensive primary research involved case studies of specific Southern Baptist Convention churches as well as interviews with leading church administrators in the Southern Baptist Convention and other denominations. This phase allowed the researcher to gain an intimate knowledge of the information flows within Southern Baptist Convention churches. This phase also identifies possible inadequacies of church information systems and differences between church systems.

Recommendations for Model Church Information System Phase

Based upon the foundation phases Chapters II, III, and IV recommendations for a model church information system are delineated in Chapter V. The recommendations are based primarily on the information system theory as it applies to the case study churches.

Nature of Data Gathered

This study of Southern Baptist Convention churches will gather data on two pivotal points: the current structure of Southern Baptist Convention church information systems and the current needs of selected decision making units within the Southern Baptist Convention church. The study will incorporate both primary and secondary research in an effort to gain an understanding of structure and needs.

Summary

The study begins with a survey of the literature to gather relevant secondary research data. Included in this survey is the gathering of information on the general topics of "information systems theory" and "history of SBC church information systems."
After this case study material is presented on four churches to provide a better perspective of the current structure and needs in churches. In the case studies, such techniques as flow-charting and interviewing workers was used. The case study material allows the researcher to identify the decision makers and the types of decisions made and to construct decision models of the primary decision making units within the church.

After the above foundation phases of the study, theory, history, and case study, the recommendations are made for a model church information system.
CHAPTER II

CHURCH INFORMATION SYSTEMS THEORY

This chapter presents the basic principles necessary for a clear understanding of planning, designing, utilizing and controlling an integrated church information system. While the exposition applies generally to any information system, the emphasis is on church information systems theory.

Chapter II is the first of three foundation chapters—information systems theory, history of church information systems, and case study chapter. These three chapters provide a foundation for the development of recommendations for a model church information system for large churches which will provide data for decisions.

HISTORICAL PERSPECTIVE

To date, there is no book which logically and cohesively presents the fundamental principles of sound information theory. There is, however, a plethora of books and edited amalgamations which espouse various principles about different parts or phases of an information system while emphasizing other areas. Such books as Development of Information Systems,¹ Management Information Systems,² and Management


place primary emphasis on the development of computer systems while delineating certain principles about information systems theory. There are no books on church information system theory since there is little market demand for them. However, more churches are recognizing the need for information on this subject. Any "systems theory" must logically be based upon understanding of "general systems theory."

GENERAL SYSTEMS THEORY

Although systems have existed in natural forms as far back as man's mind can envision, it was not until Ludwig Von Bertalanffy did man so designate the field of study of systems as "general systems theory." Even though man did not attach a name to the study of systems for thousands of years, there existed from at least the beginning of history many different systems.

It can be stated without exception that every natural system which man has investigated to the point of maximum (for man) understanding has appeared logical, efficient, and purposeful. In his endeavors, man himself has created systems -- i.e., automobile engines and buildings. Unfortunately, but understandably, it cannot be said of man's created systems that every one is logical, efficient, and purposeful -- i.e., governmental units and information systems.

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This chapter deals with the attainment of efficiency and purpose in man's created information systems, especially in churches. Information systems theory is based on general systems theory. General systems theory involves the study of all systems.

In order to construct a man-made information system it would behoove the student of general systems theory to first gain a basic knowledge of the natural systems. But which natural system should be studied? Should it be the simplest system or the most complex system?

A single cell forms a simple system. Using the author's definition of a system on page three, system is "an orderly combination, or arrangement, as of parts or elements, into a whole." Cells, when combined in an orderly fashion form working systems. These can be simple systems such as two and three celled plants or complex systems such as animals and trees or humans.

What then are some of the characteristics of these natural systems? One of the most complex form of systems is the human body. The characteristics of the human body system can be categorized under structure and processes.

**Characteristics of Structure**

1. It is purposeful.

2. It has objectives.

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3. It has a central information bank.
4. It is structurally well organized.
5. It is orderly.
6. The overall basic design is simple and functional.
7. It exists in a complex relationship to other systems.
8. It is a subsystem made up of other subsystems.
9. Each subsystem is different.
10. It is uniform and consistent.
11. It is comprised of components.

**Characteristics of Processes**

1. It is planned and does plan.
2. It is controlled.
3. It provides timely information.
4. It is flexible and adaptable.
5. It is properly managed.
6. It leaves an audit trail (memory).
7. It is creative in obtaining new ideas.
8. It makes decisions.
9. It is reasonable.
10. It is programmed to act in certain ways (social).
11. It checks reliability and accuracy of data.
12. It accumulates data rapidly.
13. It processes data less rapidly.
14. It is future oriented.
If these are characteristics of one of the most complex of the natural systems, perhaps an information system should take on some of these same characteristics. An analogy can be drawn between an organization and a human body.7

Beer has discussed general systems theory with respect to three terms. He says that systems are more or less coherent, patterned and purposive.8 In order for a situation to be a system, the situation must be coherent in that the parts of the system must be identifiable. Each system must be patterned in that there must exist a relationship between the parts of the system, and each system must be purposive in that the parts must interact together to achieve a common purpose.

Each cell in the human anatomy is identifiable, is patterned and has a purpose. Cells may be called subsystems or sub-subsystems of the system called the human body. In addition, cells may make up subsystems of the human body such as the circulatory system or the nervous system. So general systems theory views everything in a system-subsystem relationship.

Beer suggests that general systems theory involves tracing relationships a long way back--and forward and sideways--and not "gaily accepting" the system in an attempt at oversimplification. When the systems designer sets about tracing relationships a long way back, he is using the tool of general systems theory.9

7 Johnson, op. cit., p. 372.
9 Ibid., pp. 245-246.
"General systems theory is concerned with developing a systematic, theoretical framework for describing general relationships of the empirical world."\textsuperscript{10} The ultimate \textit{goal} of general systems theory is to assign every part of the empirical world to a subsystem in such a way that it is explained by its meaningful relationship to the remainder of the subsystem. The subsystem itself is explained by its meaningful relationship to other subsystems which make up the total system of the empirical world.

The study of the empirical world in the past has been segmented into categories of study such as accounting, marketing, engineering, mathematics, speech, and English. More recently, a mulching process has occurred. Isolated disciplines such as those mentioned have been placed under broader fields of study in order to emphasize interrelationship of the previously isolated disciplines.\textsuperscript{11}

The more subfields a discipline calls upon to solve a problem, or to understand the empirical world, the more it is said to have applied general systems theory. Cybernetics, information theory, organization theory, management theory and operations research are examples of disciplines which call upon numerous subfields. Cybernetics calls on engineering, physics, biology, mathematics, English and other fields. Organization theory calls on engineering, psychology, sociology, biology, economics, mathematics, and anthropology.

General systems theory as it might be applied to disciplines embodies an attempt to place all knowledge about the empirical world

\textsuperscript{10} Johnson, op. cit., p. 368.

\textsuperscript{11} Ibid.
into systematic bodies of knowledge. An example is seen in Illustration 5. One of the many subsystems which explains real world relationships is decision theory--the study of decision making. It can be said that one of the many subsystems which makes up decision theory is information theory. While the approach to general systems theory outlined in Illustration 5 has distinct possibilities, better approaches are available.

A second, and better, approach was set forth by Johnson in "Systems Theory and Management" and has application in most businesses and other organizations. A better approach "would include the structuring of the hierarchy of levels of complexity for the basic units of behavior in various empirical fields. It would also involve development of a level of abstraction to represent each stage."

This approach is more consistent with the concept of general systems theory since it leads toward a system of systems with lower level systems being less complex than higher levels of systems. Kenneth Boulding's classification of systems provides an excellent starting point. His levels of systems are as follows:

First level--Static Structure--This refers to the parts of the universe which can be viewed as static such as the anatomy of a frog at a given point in time. This is the frameworks level. Another example would be a building.

Second level--Simple predetermined dynamic system. This is similar to a clock whereby the clock moves in a predetermined manner.

\[12\text{Ibid., p. 369.}\]
Illustration 5
Systematic Body of Knowledge Explaining Empirical World Relationships

Systematic Body of Knowledge Explaining Empirical World Relationships

Subsystem        Subsystem        Subsystem (Decision Theory)        Subsystem

Sub-Subsystem     Sub-Subsystem (Information Theory)     Sub-Subsystem

Sub-Sub-Subsystem Sub-Sub-Subsystem (Accounting)
Third level—Cybernetic system—This is similar to a thermostat. It is self-regulating. It maintains an equilibrium. This is primarily thought of as a closed system.

Fourth level—Simple open systems—These systems are self-maintaining systems. This is the level at which life is differentiated from non-life. A living cell would be an example.

Fifth level—Genetic societal level—Level dominated by plants.

Sixth level—Animal system—This level is characterized by increased mobility, teleological behavior and self-awareness.

Seventh level—"Human level." The human being is considered a system.

Eighth level—Social systems level—Includes various aspects of current human life—conscious thought on decisions, value systems, recording historical facts, art, human emotion.

Ninth level—Transcendental level—These are the ultimate and absolute and the inescapables and the unknowables and they also exhibit systematic structure and relationship.13

The first four levels of systems have been at least partially developed.14 Description of static structures, clockworks, cybernetic systems, and the simple open systems are widespread. Little progress has been made beyond the fourth level of the above classifications. The point is, however, that the above view of the interrelatedness of systems, in general systems theory, provides a

frame of reference or point of view and a desirable goal. Progress can be made as research proceeds in various specialized areas but within the total system context.15

Information systems theory is a logical extension of this second approach to general systems theory. The information system is viewed first at its simplest level, then at its more complex levels. An example would be to view the information system as a conglomerate of unrelated cells and to study the individual cells— their viscosity, chemical balance, weight, and so on. It might involve the study of the cells in paper, in humans, in the various parts of the computer or in the ink printout. Each type cell would be studied in detail. This relationship is shown in Illustration 6, A General System Theory View of Church Information Systems.

Next, the relationship of the cells to each other would be studied. The cells of the human circulatory system would be determined to have such a relationship as to provide a system of carrying blood to various parts of the body. Other relationships of cells would be studied showing the nervous system and the bone system and so on. The second level of complexity might be to study the relationships of the circulatory system, nervous system and the bone system to each other as they make up the human body.

The third level of complexity might include the study of the relationship of the human body system to other systems it comes in contact with, such as the other elements of the information system.

15ibid., p. 370.
Illustration 6

A General Systems Theory View
of Church Information Systems

First Level of Systems
- Cells

Second Level of Systems
- Paper for Reports
- Ink for Reports
- Other Reports
- Computer Hardware and Software
- Office Machines
- Other Process Devices
- Human Circulatory System
- Human Nervous System
- Human Bone System
- Other Subsystems Made up of Cells

Third Level of Systems
- Report System
- Information Processing System
- Human Body System
- Other Subsystems

Fourth Level of Systems
- Financial Information System
- Personnel Information System
- Logistic Information System

Fifth Level of Systems
- Total Church Information System
It should be remembered that the human body is a part of the total information system. The fourth level of complexity is to study the relationship of the information system to other systems of the empirical world. Illustration 6 depicts the levels of complexity of a church information system using a general systems theory approach. The total information system is composed of many types and levels of subsystems.

As previously pointed out, general systems theory provides a frame of reference or approach to the study of the empirical world. It views the empirical world as a system made up of numerous subsystems. To study church information systems is to study a special part, or subsystem, of the empirical world. The information system itself is made up of many subsystems.

Just as general systems theory provides a frame of reference for study, church information systems theory provides a frame of reference for the study, development and use of church information systems. The development of a theory of church information systems must include the development of postulates, principles making up the theory, methods, and procedures. In this chapter, the writer will include postulates and principles. Methods and procedures are the detailed arms of the principles and will vary from church to church.

**POSTULATES OF CHURCH INFORMATION SYSTEM THEORY**

The general postulates, or assumptions, underlying this theory of information systems are as follows:

1. Information systems theory is a natural extension of general systems theory.
2. Humans desire to achieve objectives.
3. Decisions are made by decision-making units (or humans) in achieving objectives.

4. Information is needed in order to make sound decisions.

5. Information can be useful or not useful.

6. Useful information is more desirable than information which is not useful.

7. Information needs to be checked for reliability.

As applied to churches these postulates are stated as follows:

1. Churches are made up of humans desiring to achieve objectives.

2. Humans in churches make decisions in achieving objectives.

3. Information is needed by humans in churches in order to make sound decisions.

4. Information can be useful or not useful to humans in churches for making decisions.

5. Useful information is more desirable than non useful information.

6. Information needs to be checked for reliability.

The postulates are depicted in Illustration 7. It is noted that information systems theory is a subset of general systems theory and that church information systems theory is a subset of general information systems theory. The decision maker is the focal point of information systems theory. Decision makers within the church set their objectives of the church (with divine guidance). The objectives in some cases are clearly defined; in other cases they are not clearly defined. The best case can be made for clearly stated objectives.

The decision maker(s) has predetermined biased decision processes. The decision processes are influenced by previous knowledge.
attained and the value system of the decision maker at the point of
decision. These decision processes are composed of hundreds of rules
(recognizable and unrecognizable).

Depending upon the information provided, certain actions will
be taken according to the decision rules and the objectives desired
to be achieved. The model of the decision process in Illustration 7
indicates that the decision maker filters and collates the information
(useful and not useful) along with the decision processes and the
objectives to arrive at a selection of the best alternative course of
action to achieve the objective. After the action is taken, feedback
information is provided to the decision maker for storage. The
subsequent decisions may be altered as a result of feedback informa-
tion.

The model in Illustration 7 depicts a general model of some
of the processes involved in an information system.

There are basic guidelines to the planning, designing,
utilizing and controlling of a church information system. When these
guidelines are placed together in a cohesive unit which explains the
workings of a sound information system, they are individually called
principles and collectively called a theory.

Each decision maker will have a slightly different model but
the basic principles of planning, designing, utilizing and controlling
will be applicable to any church information system.
PRINCIPLES OF CHURCH INFORMATION SYSTEMS THEORY

As previously stated, information systems theory is intertwined with other disciplines or fields of endeavor such as decision theory and cybernetics. It is mandatory to draw from other disciplines and fields to construct the principles of information systems theory. This is in itself an application of general systems theory—the interrelationship of systems and/or disciplines.

Therefore the development of a general theory of church information systems must use parts of other theories such as general systems theory, decision theory, or cybernetics.

The four basic principles of information systems theory are:
1. Information systems should be properly planned.
2. Information systems should be properly designed.
3. Information systems should be properly utilized.
4. Information systems should be properly controlled.

Other principles will be derived from these basic principles.

Principles of Planning

"Planning is the selection from alternative future courses of action . . ." 16

"Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes possible for things to occur which would not otherwise happen . . . Without planning things are left to chance. Planning is an intellectual process, the conscious determination of a course of

action, the basing of decisions on purpose, facts and considered estimate."\textsuperscript{17}

Eight principles of planning can be delineated. The first principle is \textit{becoming aware of the opportunity for improving the information system}.\textsuperscript{18} Before a church can take advantage of an opportunity it must become aware of the opportunity. There are two ways to become aware of opportunity--by chance or by conscientious search. Chance involves accidentally becoming aware of opportunity whereas conscientious search involves making concerted efforts at obtaining information which will lead to opportunity for improvement.

The higher the number of relevant opportunities one comes in contact with, the higher the probability that one will make a better selection among alternatives (as long as he does not have so many he cannot understand them all). If becoming aware of opportunity is left to chance, then a single opportunity may be available and not recognized. It is logical that a search for opportunity is preferable to no search. This search is the essence of the first principle of becoming aware of opportunity.

The second principle of planning is the overall principle of \textit{investigating the basic need for an improved information system}--is the information system needed? There are some basic questions to be asked before embarking upon a change from one information system to another.

\textsuperscript{17}ibid.

\textsuperscript{18}ibid., p. 94.
1. How satisfied are people throughout the organization with the existing input and output of information?

2. Have the most recent changes been digested yet?

3. Have major new technical improvements in systems hardware and software recently become available?

4. Are management personnel receptive to new changes in the future?

5. Does the organization have designers with the skill and experience needed to develop a new information system?

6. Are the probable time schedules for such a project satisfactory?

7. Is financing adequate?

8. Does the potential payoff justify the effort?  

Obtaining answers to these types of questions is necessary to the application of the principle of investigating the basics of the need for improving an information system.

Although becoming aware of opportunity is always important, opportunity should not be jumped into without first investigating the basics of "is the system needed?"

The third principle of planning is establishing objectives. "Objectives indicate the end point of what is to be done, where primary emphasis is to be placed and what is to be accomplished . . ."  


20Koontz and O'Donnell, op cit., pp. 94-95.
In planning a church information system it is first necessary to state what the objectives of the system are. What will the information system do for the organization?

The following statement is illustrative of the basic objectives of an information system:

The objective of the information system is to provide relevant, timely, dependable information to the decision making units within the church to help the church achieve its overall mission(s).

The illustrative objective points up (1) what is to be done--provide relevant, timely, dependable information; (2) where primary emphasis is to be placed--on the decision making units; and (3) what is to be accomplished--help church achieve its overall mission. From this basic objective of a church information system other sub-objectives could be formulated.

The objective of the information system should be stated in writing. When several people are planning a system it is important that each understand clearly the objectives of what is trying to be achieved. Even if one person is doing the planning he should write out the objective to avoid confusing those he is explaining his work to. A clear statement in writing has several advantages:

1. It avoids confusion.
2. It forces conscious thought about objectives.
3. It speeds the objective-setting process.
4. It improves the quality of the objectives.

Koontz and O'Donnell have stated the importance of clearly stated objectives.
"Clarification of objectives. The superior, with his subordinate managers, has certain objectives to accomplish. Too often these are vaguely assigned, which results in either diffused or unconstructive effort. If a manager's objectives are not set forth clearly by his superiors, it is incumbent upon him to define his own objectives and have them confirmed. Then it becomes possible for him to agree upon specific objectives with each of his subordinate managers and to measure their performance against these." 21

The responsibility for determining the objectives of the information system should be fixed with a single individual or a single group of individuals so that accountability is preserved. 22

The drafting of the objectives of the information system should not be spurious.

The fourth sub-principle of planning of an information system is called premising. Premising involves getting the facts and making assumptions about the future. 23 For example, a necessary fact to gather would be the number of employees which are allocated to work in the information system as clerks and bookkeepers. The premise, or assumption, may be made that five employees are to work on the information system.

Koontz and O'Donnell have said that premising is logical:

"A . . . logical" step in planning is to establish, obtain agreement to utilize, and disseminate critical planning premises." 24

21 Ibid., p. 485.


23 Koontz and O'Donnell, op. cit., p. 94.

24 Ibid.
Premising involves a clear statement in writing of the environment in which the information is to operate. It is futuristic. A church committee or individual with fixed responsibility for developing the information system would want to determine answers to the following types of questions.25

1. What will be the church growth in the next ten years?
2. What will be the trend in church revenue in the next ten years?
3. What will be the prices charged for needed elements of the information system (employees, materials and machines)?
4. What technical developments are forthcoming?
5. What will be the governmental regulations and requirements?
6. What will be the policies with respect to salaries of employees?
7. How will the information system be financed?

As can be seen from these seven questions, premises may be controllable or uncontrollable or somewhere in between.26 Controllable premises are those the church determines such as the type of financing. Uncontrollable premises would include those the church cannot control such as governmental regulations and population trends.

Coordination is an important aspect of management which cannot be achieved without a basic agreement among managers as to the premises upon which plans are put into action.27 Alternative plans can be made

25Evans, loc cit.
26Koontz and O'Donnell, op. cit., p. 95.
27Ibid., p. 96.
to compensate for uncertainties of premises. If a church is uncertain as to the premise of an increasing area population trend then it may develop two plans--one plan based upon rising population and one based upon declining population. If the church plans for a rising population and buys a large computer system, it might have to sell the computer at a loss. However, it might have developed another plan based on declining population to share the computer with other churches.

All church managers involved in planning a church information system should understand the premises upon which they are to base their plans. Even if disagreement as to premises are voiced, an agreement must be reached as to which among alternative premises are to be used as a basis for the plan. Once premises are determined, they should be clearly communicated to all church managers for suggestions and constructive criticism.

The fifth principle in the planning of a church information system is to determine alternative courses of action. "There is seldom a plan for which reasonable alternatives do not exist, and quite often, an alternative that is not obvious proves to be the best." After gathering all feasible alternatives, the alternatives should be narrowed to the best.

The sixth principle is that information should be gathered to aid in evaluating the alternative plans. This information may be

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28 Ibid.
29 Ibid.
30 Ibid.
31 Ibid.
difficult or easy to obtain depending on the nature of the plan. Whatever the difficulty every effort should be made to gather information to aid the evaluation process.

The seventh principle of planning the church information system is evaluating the best alternative\textsuperscript{32} courses of action. Strong and weak points should be identified for each plan and weighed in light of the premises and objectives of the church. After concerted evaluation, a plan is selected (the eighth principle). Occasionally it may be desirable to choose parts of different alternative plans.\textsuperscript{33} Once the planning principles are determined it is necessary to complete the planning principles by formulating derivative plans\textsuperscript{34} to support the basic plan. Derivative plans might include timetables for accomplishment, identification of employees, job description of information system personnel, or developing a plan for designing the information system.

**Principles of Designing**

A church information system is composed of procedures, methodologies, organization, software and hardware elements needed to insert and retrieve data as required for operating and managing a church.\textsuperscript{35} After the planning process is completed the designing process can begin. During the planning process the purpose and objectives of the information system are set and without these objectives designing the

\textsuperscript{32}Ibid., p. 97.
\textsuperscript{33}Ibid.
\textsuperscript{34}Ibid.
\textsuperscript{35}Moravec, op. cit., pp. 35-36.
information system would be impossible. The designing of the information system must be based on its objectives.

Designing a church information system includes five principles which are stated in terms of five steps.

1. Analyze the decision system.
2. Analyze the information requirements.
3. Aggregate the decisions.
4. Design the information processing.
5. Design the control mechanism. ³⁶

Each of the principles is an important step in the building of a system which meets the requirements of the organization.

Designing an information system is a complex matter requiring integration of the many facets of an organization. The logical starting point is the analysis of the decision making system. This involves identifying the decision making units within the church, something which has never been satisfactorily achieved in churches, and analyzing the relationships among decision units. The decision units can be characterized as follows:

The next step in the designing process is to **analyze the information requirements** of the decision making units. The following block illustrates these requirements:

![Diagram of information flows and outflows]

The arrows represent information inflows and outflows of the decision units. The output of one unit may be the input of another unit. It is necessary to identify these inflows and outflows as an integral part of the designing process.

The third step is to aggregate the decision in some logical manner. Given that there are only two managers, two questions arise. **Which manager is making which decision and which manager should be making the decision?** The illustration below shows that the decision units are grouped into A and B groups and that manager A will be making the odd decisions and manager B will be making the even decisions:

![Diagram showing decision units grouped]

Again the arrows represent information inflows and outflows. The grouping of the decision units must be logical and practical in each church.

After the decision and information requirements are determined, it is time to **design the best methods of gathering, processing, and disseminating the information**. This would include for example the
setting up of charts of accounts for the financial information system or the determining of whether computer facilities would be advantageous to the church.

The fifth and final step in designing a church information system is to design for control. This concept of control refers to safeguarding of assets and assurance of the integrity of the data recorded and disseminated. Data may be properly identified and recorded but through dishonesty, or honest error, improperly reported. Control as it relates to information system is aimed at narrowing the gap between reality and information reported about reality.

There are some tried and proven concepts related to designing information systems which have been applied to business. These same concepts are applicable to churches. One such concept is the general systems theory approach (every system is made up of subsystems) in designing systems. In the case of business, a popular division among subsystems is made according to type of information needed--financial, personnel and logistic.37

This approach embraces the tenet that a church information system is composed of several information subsystems. Those subsystems may or may not be financial, personnel and logistic information systems. Part of this study is aimed at identifying appropriate subsystems within the church. A typical church certainly has at least a financial information system and a personnel information system. As pointed out in the case study section (Chapter IV), the personnel information system is probably more important in a church than in a

37John Dearden and F. W. McFarlan, loc. cit.
business. The personnel information system of a church refers to its employees, members, and prospective members.

Because of popularity in business literature and applicability to churches the information subsystems approach of financial, personnel, and logistic, will be utilized as the breakdown for the discussion of the case study data in Chapter IV.

Misconceptions - Improperly Applied Principles

There are many principles and concepts which have been incorrectly conceived and applied. Through tradition the concepts have been clung to without question. There are four such concepts which need explanation. The concepts are as follows:

1. Give them more.
2. The church manager needs the information he wants.
3. The church manager does not need to know how his information system works.
4. If you give the church manager the information he needs his decisions will improve.

In designing a church information system it is necessary to provide useful information. While it is true church decision makers have suffered from lack of information in the past, this should not be a signal to inundate a decision maker with truckloads of useless information. The test of a good church information system designer is in his ability to design a system which provides the critical information needed to make the decision.

So the principle of give them more is incorrect. Russell Ackoff has pointed this out by saying:
"Most MIS's [management information systems] are designed on the assumption that the critical deficiency under which most managers operate is the lack of relevant information. I do not deny that most managers lack a good deal of information they should have, but I do deny that this is the most important informational deficiency from which they suffer. It seems to me that they suffer more from an overabundance of irrelevant information."  

The idea that the more information a church decision maker has the better his decision will be is simply not true. Information provided should be relevant, critical, and needed. Ackoff has stated this point of view: "There is a point at which the marginal cost of differentiation of information and comprehensiveness of the information exceeds the marginal utility of information to the receiver."  

The second incorrectly applied principle is that the manager needs the information he wants. Quite often the managers do not know what they need and it is necessary for the church information system designer to dig deeply into the objectives and structure of the decision maker and decision process to help the decision maker get the information he needs. 

Ackoff has clearly expressed this point of view:

"Most MIS designers 'determine' what information is needed by asking managers what information they would like to have. This is based on the assumption that managers know what information they need and want it."

"For a manager to know what information he needs, he must be aware of the type of decision he should make (as well as does), and he must have an adequate model of each. These conditions are seldom satisfied. Most managers have some conceptions of at least some types of decisions they must make. Their conceptions however are likely to be deficient in a very critical way, a way that follows from an important principle of scientific economy: The less we understand a phenomenon the more variables we require to explain it. Hence a manager who does not understand

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39 Moravec, op. cit., p. 38.
the phenomenon he controls plays it safe and with respect to information and wants everything." 40

Ackoff may not have been referring to church information systems designers but certainly the concept of too much information is applicable to business and church organizations alike. Even if a church manager wants a plethora of data he may not need it. Quite often managers do not know what information they need. The system designer should seek to know what the manager wants, but he should also analyze the current decision models in relation to objectives and suggest types of information they might find useful.

A basic principle of design then can be stated as: The designer must actively seek to improve the quality of data made available to the decision maker by suggesting other types of useful data. These types of data may be found through research or may be determined from past experience of the designer.

A third incorrectly applied principle is embodied in the concept that a manager does not need to understand how his information system works, only how to use it. 41 It is true that most managers today do not understand how their information system works. 42 But this does not make it right.

An essential element of a sound church information system is that the people using the information understand basically how the system works. A manager cannot properly evaluate the system if he does not understand its workings. Without this basic working knowledge the

40 Ackoff, op. cit., p. 28.
41 Ibid., p. 30.
42 Ibid., p. 31.
manager becomes a puppet on a string because he loses the important element of "control" in the organization. "In failing to evaluate the MIS managers delegate much of the control of the organization to systems designers and operators who have many virtues, but managerial competence is seldom among them."^43

So, properly stated this principle of design should state: No church information system should ever be installed unless the managers, for whom it is intended, are trained to evaluate and thus control it rather than be controlled by it.^44

The fourth incorrectly applied principle states that if you give the manager the information he needs then his decision making will improve.^45 A church manager will be able to make better decisions when he gets needed data only if he understands the needed data he receives. Take any individual and he will not be able to understand everything in the empirical world. It stands to reason, then, that a single manager will possibly at some point receive needed information which he cannot understand. The needed information may be too complicated (or presented in a form so that it is too complicated) for him to understand.

The principle arising from this is as follows: Give the church manager the information he needs in a form he understands and can use. This may require in some churches vigorous training programs aimed at helping church managers understand more complicated but needed information.

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^43 Ibid.
^44 Ibid., p. 32.
^45 Ibid., p. 29.
**Principles of Utilizing**

An information system may be planned adequately, designed adequately, but improperly utilized. The information system may remain totally unused by the users or it may only be partially utilized. The utilization principle can be broadened by stating it as follows: The information system should be completely utilized as opposed to only partially utilized.

There are several sub-principles related to this main principle. They are as follows:

1. Provide information in an understandable form.
2. Train personnel to master the use of the information system.
3. Make users aware that the system is flexible.
4. Human factors must be dealt with.
5. Systems modifications is key to long run system excellence.

**Provide information in an understandable form.** Information regardless of how much it is needed cannot be useful if it is presented in a form which is not understandable by the user. If a user is presented with the final matrix of a solution to a set of simultaneous equations he will not be able to use the information if he does not understand it. The equations should be followed by an explanation of their meaning.

If a pastor receives a report on his performance and it includes the entire spectrum of reports for the whole church he will not be able to understand the relationship of all the reports to his performance. The reports should indicate his performance for past years, based upon his job description and job objectives as compared with the current year. Furthermore, it should include only the critical points, or the critical information.
Train personnel to master the use of the church information system. An added dimension to making reports understandable is to train personnel to increase their level of understanding. Often a needed piece of information is not presentable in a neat information package which can be easily understood. The only alternative is to train the user to a level of understanding commensurate with the report.

Make users aware that the system is flexible. The information system should have been designed to have a degree of flexibility. It should be adaptable if needs change or if needs have been misinterpreted. The users should not be intimidated by the system. A concerted effort should be made to inform the users that the system should be and can be adapted to their needs.

This principle gives rise to the principle of responsiveness. The designers and processors of information systems should be responsive to the changing needs of the decision makers.

Human factors should be dealt with. Quite often when new information systems are implemented there are human problems. Almost every information systems study and implementation is viewed with misgivings and misunderstanding such as fear of unemployment, loss of job security, or fear of inadequacy to perform new job. All of these are manifested in human natural resistance to change.

Misunderstanding and misgivings are not limited to one level of the organization as depicted in Illustration 8. The shaded area of the pyramids depicts the part of the organization pyramid affected by improved information processing.
objectives and that the specific tasks of processing and reporting information are carried out efficiently and effectively.

Cybernetics is the study of control and feedback mechanism.

"Business Management Information Systems achieve optimal performance with computerized network and cybernetic systems. Of these two network systems have been in extremely widespread use for a number of years . . .

"Cybernetic systems relate to the machine control of machine operations, usually considered as total automation of operations. This means that machine operations are able to feed back performance measurement reports of variances from control standards and automatically take machine actuated corrective and preventive actions. In effect, cybernated systems are autonomous systems operating without the aid of human decisions and actions."

The obvious implication is that whether an information system is automated or not it can and should control itself or at least provide some measure of control. It is to this measure (or degree) of control to which controlling is addressed.

Does the information system achieve dynamic equilibrium or does it atrophy? If the system has the needed control features then it will maintain a steady state, or remain in equilibrium. If the system has the needed control features missing it will have a tendency to remain out of control or atrophy.

Two aspects of controlling are internal control and external control. Internal control refers to the checks and balances made available by the ordinary daily repetitive processes of the information system. Whereas, external control refers to the independent appraisal and review by sources outside the formal system.

Internal controls include such checks and balances as the following:

1. A formal record keeping system.
2. Comparison of budget against actual.
3. Separation of duties of those processing the information and controlling assets.
4. Double checks by second persons.
5. Periodic internal review of objectives and accomplishment of objectives of the information system.
6. Internal audits (surprise).
7. Rotation of jobs.

External controls would include:

1. Audit by independent certified public accountants.
2. Creditors and debtors agreements or disagreements with balances in respective accounts.
3. Review of reasonableness of results of operations by headquarters.

The control principle states that "The information system should provide for both internal and external controls." This control principle applies to all parts of the church information system--the financial, the personnel, and the logistic information system.

**SUMMARY**

The postulates and principles espoused in this chapter formulate a basic information system theory for churches. Admittedly, they are broad. This theory will be used to evaluate the individual churches included in the case study section.
Since this is a fairly new field of inquiry, it is necessary to start from the ground roots, or start fresh, so that there are no preconceived biased notions of how a church information system should operate. The ultimate test of the soundness of a theory is its ability to provide systems which provide useful information to the decision maker. It is hoped that the postulates and principles so developed do just that.

A summary of the postulates and principles follow.

Postulates--Underlying Assumptions of Church Information System Theory

1. Church information systems theory is a natural extension of information systems theory which is a natural extension of general systems theory.

2. Churches are made up of humans desiring to achieve objectives.

3. Humans in churches make decisions in achieving objectives.

4. Information is needed by humans in churches in order to make sound decisions.

5. Information can be useful or not useful to humans in churches for making decisions.

6. Useful information is more desirable than non-useful information.

7. Information needs to be checked for reliability.
Principles of Church Information
System Theory

Four Basic Principles:

1. Church information systems should be properly planned.
2. Church information systems should be properly designed.
3. Church information systems should be properly utilized.
4. Church information systems should be properly controlled.

Planning Principles:

1. Churches should actively seek to become aware of opportunities for improving church information systems.
2. Churches should investigate the basic need for an improved information system.
3. At an early date churches should establish the objectives of the information systems.
   a. Responsibility for developing objectives should be fixed with one person.
   b. Objectives should be stated in writing.
   c. Objectives should be clearly communicated.
4. The basic premises upon which planning is based should be identified and put in writing.
   a. Responsibility for premising should be fixed with a single individual.
   b. Premises should be classified as controllable or uncontrollable.
   c. Coordination can be achieved only if an agreement is made as to the basic premises.
d. Premises upon which the information system is planned should be clearly communicated to managers and planners to promote a common understanding.

5. The church should determine alternative courses of action for their church information systems, i.e., computer versus manual.

6. Information should be gathered on feasible alternatives.

7. Alternatives should be evaluated carefully based on premises and evaluative information gathered.

8. The alternative should be selected.

9. Derivative plans should be formulated in order to put the selected alternative plan into action.

Principles of Design.

1. Carefully analyze the decision system for the church.
   a. List the decisions made and who makes them.

2. Carefully analyze the information requirements for the church.
   a. Categorize the basic types of information—financial, personnel, logistic.

3. Aggregate the decisions into logical groups.

4. Design the methods of processing the information based upon current and projected personnel budgets.

5. Design the control mechanisms of the system to keep the system in equilibrium.

6. The designer must actively seek to improve the quality of data made available to the decision maker by suggesting other types of useful data.
7. No church information system should ever be installed unless the church managers for whom it is intended are trained to evaluate and thus control it, rather than be controlled by it.

8. Give the church manager the information he needs in a form he understands and can use.

**Principles of Utilization.**

1. Provide information in an understandable form.

2. Train personnel to master the use of the church information system.

3. Make users aware that the system is flexible.

4. The designers and processors of church information systems should be responsive to the changing needs of the decision makers.

5. Human factors (behavioral) should be dealt with.

6. Principle of modification--modify and improve the system as the church grows.

**Principle of Control.**

1. Internal and external controls should be provided for by the system.

   a. A yearly review of the church information system's adequacy should be performed by the church business administrators.

   b. Every five years the system should be reviewed by an independent information systems expert for suggested means of improvements.

**Concluding Remarks**

Based upon the preceding parts of the study, programmed interview questionnaires were developed. These questionnaires were
used as a starting point in each case study. The questions center around the basic aspects of information systems theory and are shown in Appendix A.
CHAPTER III

HISTORY OF SOUTHERN BAPTIST CONVENTION
CHURCH INFORMATION SYSTEMS

INTRODUCTION

Churches from the beginning of civilization have attempted to serve man's spiritual needs. Only in recent years has attention been directed at efficient and effective church management. This chapter investigates primarily the history of information systems in Southern Baptist Convention churches from the inception of the Southern Baptist Convention in 1845 until today. Even though the Convention was organized in 1845 its churches predate that time; therefore, some of the information presented predates 1845.

The objectives of this chapter are: (1) to make an initial investigation into the history of church information systems in order to add knowledge in the virgin area of non-profit accounting, (2) to search history for tools, techniques, and information which might be useful today but has been forgotten over time, and (3) to provide an historical perspective for the recommendations for a model church information system in Chapter V.

A significant portion of the research data was gathered in research visits to the Dargan-Carver Library which is a research extension of the Research Services Division of the Sunday School
Board of the Southern Baptist Convention, and through research into the history of the various case study churches presented in Chapter IV.

The best description of the organizational structure of the Southern Baptist Convention is that it is a democracy. Local churches may choose to associate with the Southern Baptist Convention. This is usually done by joining an association. An association is composed of a number of churches choosing to form an association with the purpose of further promoting their common goals. To join the church simply petitions the Association for membership, and it will be either voted in or rejected. A member church may choose to disassociate from the Association or it may be voted out by the other members of the Association. These associations join together to form state conventions and state conventions join together to form the Southern Baptist Convention.

The local church unit may also choose to support the work of the Southern Baptist Convention through contributions to the cooperative program. Each year the local churches set goals to reach with respect to the amount of their financial contributions to the cooperative program. In the 1974 fiscal year, the cooperative program budget was $35,000,000.1

1Share the World Now, 1973 Annual of the Southern Baptist Convention, distributed by the Executive Committee of the Southern Baptist Convention, prepared by Clifton J. Allen, Recording Secretary of the Convention, June 12-14, 1973, Portland, Oregon, p. 54.
The basic organization chart of the Southern Baptist Convention is shown in Illustration 9. Each local church unit is responsible for developing and maintaining its own information system. Each year each church makes a report to the association in the form of an association letter. This associational letter includes the statistical summary of the results of the church's operation for the fiscal church year. The data on the letters are tabulated and become a part of the associational minutes which are printed and distributed to member churches. Copies are sent to the state conventions and are tabulated and published in the state's book of reports. Copies are sent to the various denominational agencies. Thus, for example, this associational letter is used by the research division of the Sunday School Board to compile denominational statistics. These statistics are published in the Annual Report of the Southern Baptist Convention and in the Quarterly Review of the Southern Baptist Convention. In recent years the associational letter has been called the "uniform church letter."

There are two basic types of formal information processing functions in the Southern Baptist Convention related to the local church unit. One formal information processing system is within each church and is operated by the church. This can be termed the internal processing system. The other formal system is that performed by the Southern Baptist Convention which summarizes various statistics of the convention. This can be termed the external information processing system. The external system is similar to Group 10 industry statistics and is summary in nature. The history of these two important processing systems will be briefly discussed.
Illustration 9
Organization Chart of the Southern Baptist Convention

Southern Baptist Convention

State Convention

State Convention

State Convention

Associations

Churches

Churches

Associations

Churches

Churches
EXTERNAL INFORMATION PROCESSING SYSTEM

Summary statistics have been formally gathered and reported by Baptists as early as 1707 by the Philadelphia Baptist Association. (This was before the formation of the Southern Baptist Convention in 1845). The Philadelphia Association recorded information about its churches in annual minutes.²

The period 1707 until 1975 can be conveniently divided into two periods for the purpose of discussing the history of the Southern Baptist Convention external processing systems since 1707. The period 1707-1922 was a period in which statistical summaries were improving but were antiquated. In 1922 the Southern Baptist Convention designed a uniform church letter which greatly improved the statistical summaries of Southern Baptist Convention church work and ushered in later external information system periods.

Early External Information

Systems--1707 - 1922

Both association records and denomination statistics emerged in the early years of the Southern Baptist Convention. These records and statistics provided the main comparative information and guides for churches in these early years.

Early associational records. The earliest documented Baptist Association of churches which recorded summary information was the

²Lynn E. May, Jr., History of the Uniform Church Letter, November, 1972, p. 1.
Philadelphia Baptist Association which began in 1707. This information concerning the status of churches in the association was recorded in the minutes of the associational meeting. Many associations followed the Philadelphia Association by recording information in handwritten ledgers and by later having associational annuals printed.3

Early associational records did not contain financial information. Only information on total membership, total additions by letter, experience, or statement, and total losses by letter, exclusion (sometimes called excommunication), and death was recorded. In some instances the pastor's name, information on buildings, and location of church were included.4

According to May, "across the years the Baptist Association has been the key to procurement of data needed by the denomination from churches."5

Denominational statistics. There were a number of attempts from 1790 to 1822 to gather and publish statistical information for the denomination as a whole. The first attempt was published in 1791 and was entitled The Annual Register of the Baptist Denomination in North America to November 1790.6 It was published in 1794. The information was gathered by John Asplund from Baptist Associations in the United States and Canada. The publication included few financial statistics

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3 Ibid.
4 Ibid.
5 Ibid.
6 Ibid.
and was merely a listing, by geographical area, of each church, name
of church, county, association, the date the church was constituted,
minister and number of ministers. Occasionally an associational
treasurer's report was included. Another work was published in 1813
by David Benedict and included the same type of information as
Asplund's publication. These two publications provide some of the
earliest lists of Baptist ministers in the United States.

Other works which followed these and were of the same basic
nature (non-financial) were as follows:

- Allen, I. M., *Triannual Baptist Register (1836)*.
  Register for 1852*.
- American Baptist Publication Society, Initially called
  *Almanac and Baptist Register*, later called *American Baptist
  Yearbook (1841)*.

None of the above publications offered financial statistical
information except for the American Baptist Yearbook and even it
offered none in its early years.

The Sunday School Board of the Southern Baptist Convention
began in 1870 to prepare tables of statistics showing the number of
Sunday Schools, number of teachers engaged in Sunday School work, and
other non-financial information. In 1872 the Sunday School Board
presented a seven page report on Sunday School work in each Southern
state including both Sunday School and church statistics. In 1873 the
Sunday School Board recognized that consistency in report format would
greatly aid in gathering meaningful data. The Sunday School Board
stated that the statistics should be tabulated by officers of the

7 Ibid.
association and reported annually to the state Sunday School Board according to a regular form. In addition, the Sunday School Board listed 37 items which should be included in information reported by churches to the association.  

Statistical summaries have continued to be presented by the Sunday School Board to the Southern Baptist Convention at its annual denominational convention. As early as 1878 the Southern Baptist Convention recognized the need for cost benefit analysis and instructed the Home Board to appoint a committee in each state to gather statistics on contributions to mission work, Sunday School work, conversions resulting from such contributions, money raised for theological education, and the number of students enrolled in theological education. Three important ratios emerge from this small step:

1. \[ \text{Conversions due to mission work} = \frac{\text{Conversions per dollar spent in mission work}}{\text{Contributions to mission work}} \]

2. \[ \text{Conversions due to Sunday School work} = \frac{\text{Conversions per dollar spent in Sunday School work}}{\text{Contributions to Sunday School work}} \]

3. \[ \text{Number of theological students being trained} = \frac{\text{Number of students trained}}{\text{Money raised for theological education per yearly dollar input}} \]

These are similar to financial ratios of today and represented an early step toward efficiency in the management of the Southern Baptist Convention.

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8 Proceedings of the Eighteenth Meeting of the Southern Baptist Convention, Mobile, Alabama, May, 1873, (Bradley and Gilbert Printers, Louisville, 1873), p. 72.

Lansing Burroughs, Southern Baptist Convention recording secretary, brought comprehensive denominational statistics to the forefront in 1882 when he presented to the convention its first good comprehensive statistical summary including financial information. The Convention for the first time recognized the value of such information as he presented, and his report was commended as "perhaps the most valuable contribution which has been made to the history of the Southern Baptist Convention in many years, and as a work reference to discover our resources and to organize our forces, it seems to be almost absolutely essential." The report included extensive financial information by state. Burroughs compiled his information from associational annuals. Burroughs prepared and distributed a pamphlet to associational secretaries which included "model tables for use" by associational clerks. Not until 1897 did the Southern Baptist Convention provide significant aid to Burroughs. It was then that the Convention instructed the Sunday School Board to help Burroughs. It was even later, in 1915, before he received any compensation ($500), and even then the committee on efficiency considered it "not wise at this time to create" a permanent position.


11 Ibid., p. 79.


last years of his life, Lansing Burroughs left a legacy which ushered in a period of revitalized denominational reporting.

Later External Information Systems--
Uniform Church Letter, 1922 - 1975

In his last report to the Convention before his death in 1919, Lansing Burroughs urged secretaries of the state boards to adopt a "uniform report form" for all churches and to promote the use of it.14 Following upon Burroughs' recommendation, the Department of Survey Statistics and Information was formed in 1920 and E. P. Allredge was appointed as secretary. In 1921, Allredge reported plans to prepare and promote "a uniform statistical form" to be used by associational clerks so that "complete and intelligible statistics covering all our work" could be gathered.15

In 1922 the Sunday School Board published the first uniform statistical blanks ever distributed by Southern Baptists.16 The states rapidly began to adopt the uniform associational letter.17 The uniform associational letter was prepared by each church and sent to the association of which it was a member. The associations then

14Annual of the Southern Baptist Convention, 1913, Containing the proceedings of the Fifty-eighth Session, St. Louis, Missouri, May, 1913 (Marshall and Bruce Company, Nashville, 1913), p. 479.


17May, op. cit. p. 4.
summarized the information in their annuals and the Sunday School Board used the annuals as a basis for denominational summaries.

In addition to compiling the statistics, the Department of Survey Statistics and Information interpreted the data. In 1921, the annual publication of *Southern Baptist Handbook* was first begun. Its primary purpose was to interpret statistics for the denomination to identify the needs and trends of convention work.

The formal objectives of the uniform church letter were adopted in 1967 by the coordinating committee of the Southern Baptist Convention. "The objective of the uniform church letter is to provide a practical and uniform plan whereby the churches may report their progress annually. This annual report is designed to assist the churches in:

1. Communicating and corresponding with other churches cooperating in the association and the convention.

2. Giving statistical information reflecting progress in the primary tasks of the church. This information may indicate assistance needed from agencies of the convention whose assigned programs relate to the church.

3. Providing a means for the churches to share information which is used to make a composite historical record of the denomination.  

Responsibility for research and statistical analysis is delegated to the Sunday School Board by the Southern Baptist Convention.

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This includes procurement, processing, and dissemination of data from the uniform church letter. Dissemination of research data and interpretation is accomplished through the Quarterly Review and through distribution of data to programs leaders in the Southern Baptist Convention.

From 1922, when the first uniform church letter was distributed by the Southern Baptist Convention, until 1940, it was necessary for the Sunday School Board to summarize information from associational annuals. This was because the associational clerks summarized the uniform church letter and then prepared the associational annual. Before the Sunday School Board could summarize the associational annual it was necessary to wait six months until they were completed. This delay was remedied in 1940 by the "Pink Express." The "Pink Express" was a special report designed to save the Sunday School Board six months of time in procuring data.

Information needed was copied by the associational clerk from the church letter onto the "Pink Express." The "Pink Express" was then mailed directly to the Sunday School Board which could prepare denominational statistics immediately. With the Pink Express 100% coverage was made possible by three months after the close of the standard associational year.

The Pink Express was used from 1940 to 1964 when Martin B. Bradley introduced an additional innovation--procuring data directly from the churches instead of having associational clerks prepare the

19Interview with Jim Lowry, Staff Member, Research Services Department of Southern Baptist Convention, November, 1974.
Pink Express. In addition, the format was changed and improved.\(^\text{20}\) Beginning in 1964 the uniform church letter was prepared in quadru­plicate (carbon) by the church clerk.

One copy is kept by the church clerk while one each goes to the associational clerk, the state convention, and the Sunday School Board. While the format and content of the uniform church letter have varied slightly since 1964, the letter has basically remained unchanged.

Wooley has concluded, "At every turn recognition has been given to the fact that this is a letter from churches to the association, giving account of the state of the churches for the past year. As such it serves as an instrument of information to enable the agencies of the Convention to serve better the churches. It reveals the progress of churches in whatever activities they are engaged, and thus reveals the needs of the churches for certain assistance from agencies of the Convention."\(^\text{21}\)

The uniform church letter shown in Illustration 10 contains three basic kinds of data—financial, personnel, and logistic. The financial information is contained in items numbered 21, 22, 23, 24, 25, 26, 27, and 126-150. All other items are personnel or logistic type of information or a combination of both. Items number 2 and 4, for example, are logistic information while number 1 is personnel information.

\(^{20}\)May, op. cit., p. 6.

\(^{21}\)Wooley, op. cit., p. 5.
**Illustration 10 (Continued)**

**NAME OF CHURCH**

**IMPORTANT:** If a separate sheet is necessary for additional names and addresses, include 1 copy each for the association, state convention, and Southern Baptist Convention.

<table>
<thead>
<tr>
<th>GRAND TOTAL PRESENT MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NAME</strong></td>
</tr>
<tr>
<td><strong>PASTOR</strong></td>
</tr>
<tr>
<td><strong>MINISTER OF MUSIC OR MUSIC DIRECTOR</strong></td>
</tr>
<tr>
<td><strong>ASSOC. PASTOR OR DIRECTOR</strong></td>
</tr>
<tr>
<td><strong>ASPIRING PASTOR</strong></td>
</tr>
<tr>
<td><strong>HISTORY OF EDUCATION</strong></td>
</tr>
<tr>
<td><strong>MINISTER OF YOUTH</strong></td>
</tr>
<tr>
<td><strong>SENIOR PASTOR</strong></td>
</tr>
<tr>
<td><strong>ORGANIST</strong></td>
</tr>
<tr>
<td><strong>MINISTER OF MUSIC</strong></td>
</tr>
<tr>
<td><strong>DIRECTOR</strong></td>
</tr>
<tr>
<td><strong>BROTHERHOOD DIRECTOR</strong></td>
</tr>
<tr>
<td><strong>CHAIRMAN OF DEACONS</strong></td>
</tr>
<tr>
<td><strong>DIRECTOR OF LITERARY SERVICES</strong></td>
</tr>
<tr>
<td><strong>CHURCH SINGER</strong></td>
</tr>
<tr>
<td><strong>LICENSED MINISTERS</strong></td>
</tr>
<tr>
<td><strong>LICENSED MINISTERS (But Not Ordained)</strong></td>
</tr>
<tr>
<td><strong>MEMBERS DECASED DURING THE YEAR</strong> (Indicate Mr., Mrs., Miss, Deacon, Ordained Minister, Etc.)</td>
</tr>
</tbody>
</table>

**MESSAGERS TO ASSOCIATION**

**MISSIONS OPERATED BY CHURCH (Include Pastor's Name and Address)**

**SEES GUIDEBOOK - WORKSHEET FOR IMPORTANT CODES TO BE USED**

**PRINTED WITH PERMISSION FROM THE SUNDAY SCHOOL BOARD OF THE SOUTHERN BAPTIST CONVENTION.**
information because it tells what type of pastor the church has. Item number 9 is both personnel and logistic information. It tells how many people left the church (logistic), and what type of people left (personnel).

The items in the uniform church letter are, for the most part, self-explanatory. However, a detailed Guidebook accompanies the letter.

INTERNAL CHURCH INFORMATION SYSTEMS

The history of internal information systems is discussed in three phases—financial information reporting, personnel information reporting, and logistic information reporting. The term internal church information system can be defined as all those processes, persons, and reports generated by church personnel which are used to achieve the goal of reporting relevant information to the decision makers within the church including employees, members, and various committees. While external information system deals with information processed by an organization outside the church and reported to the church, the internal information system is processed within the church and reported to decision making units.

The church personnel information system as previously defined includes processing and reporting information on all employees and members of a particular church. Since the members make the ultimate decisions they are included in the personnel information system.

**Financial Information Reporting**

The treasurer has been responsible as early as 1727 in the Baptist church for the procurement, maintenance, and reporting of
church financial information. In early churches the matter was simple because churches were not as large as they are today and little emphasis was placed on church management. Today problems are more complex because of the size of the churches.

Early financial reports, 1830's. As early as 1832 there were no formal reports prepared by the treasurer. Only an oral report was made by the treasurer and recorded in the monthly business meeting minutes. An example of such reporting is portrayed in the following excerpt from the minutes of a church meeting "In Conference" on February 19, 1834, of the First Baptist Church of Nashville.

"Brother Moses Wright reported that the owners of the Masonic Hall were willing that the church should continue to occupy the same as a place to hold their meetings for any term of time not exceeding five years at the rate of $85 a year; to which terms the church agreed.

"Brother Moses Wright having assumed the responsibility of paying the money on behalf of the church, was appointed to act accordingly."

In another excerpt on February 30, 1832, it was stated:

"Eli Fields and Moses Wright (were) appointed to ascertain the number of seats wanted and the cost thereof and make a report."25

In the first excerpt Moses Wright volunteered to make his contribution to the church by paying for the rent of church space. During these years of this particular church it can be noted the


24 Ibid.

25 Ibid.
rather casual nature of reporting church finances. In this church no formal summary reporting (such as a statement of cash receipts and payments) could be noted until the early 1840's.

Auditing of accounts, 1833. As early as 1833 the treasurer was required to keep an accurate accounting of the finances of the church. Not only was he required to keep accounts but was subject to an audit when he gave up the post as treasurer. This is pointed out by an excerpt from the minutes on two occasions "In Conference."

In Conference April 12, 1833:

"Brother Moses Wright was appointed treasurer and with him Cartmell to settle with the former treasurer and receive what money may be in his hands."26

In Conference July 13, 1833:

"The brethren appointed in April last to settle with the treasurer made report that they had done so, and found his accounts to be correct. They were accordingly discharged."27

Notice should be made that an independent third party was appointed to observe the transfer, Mr. Cartmell. Mr. Cartmell performed an attest function.

Monthly financial reports. As early as the 1840's the first monthly statements were found. In the beginning the reports were merely oral and no statements were passed out to the congregation. The oral financial report of the treasurer was recorded in the minutes of the

26 Ibid.
27 Ibid.
28 Ibid.
church for all to read. It was important to have a timely monthly report in the period 1840-1892 because expenses were often not met. In particular, the pastor's salary was usually the last item paid each month and it was a usual occurrence to see reports of liabilities to the pastor.

From 1840 to 1892 the monthly report primarily emphasized the indebtedness of the church, and it was not unusual during this period for established churches to go long periods without a monthly report. A typical monthly report of this period follows:

**Monthly Report**

*Monday Evening, June 20th 1842*

**Report of Church Indebtedness**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to pastor on account arrearages to 1 June last and for salary from 1 June to 1 April</td>
<td>$1,113.75</td>
</tr>
<tr>
<td>Due to sexton to 1 April</td>
<td>$26.00</td>
</tr>
<tr>
<td>Due to J. Thomas, Treasurer advanced by him to 1 April in sundry payments made by him</td>
<td>$66.07</td>
</tr>
<tr>
<td>Debt due to penitentiary recognized by the church at its regular meeting 11, Sept., 1841</td>
<td>$1,458.83</td>
</tr>
<tr>
<td>Total amount without interest</td>
<td>$2,664.65</td>
</tr>
</tbody>
</table>

The treasurer was usually a wealthy man because he carried a large part of the financial burden of the church in hard times. It was a usual occurrence during this period for the financial report to include the amount due to the treasurer ($66.07 above). Interest was not included in the debt. Perhaps this is because in those days the total interest on the note was paid periodically. This made the resulting balance of interest due low.

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29 Ibid.
Around the end of the 19th century, churches began making formal reports of cash receipts and disbursements. In 1892 the First Baptist Church of Nashville began reporting on a monthly basis the cash receipts and disbursements of the church. Even though the disbursements were not subtracted from the receipts, it represented progress in reporting important information. The statement of the treasurer (which was read orally) is shown below

### MONTHLY REPORT OF RECEIPTS AND DISBURSEMENTS, 1892

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Collections</td>
<td>741.47</td>
</tr>
<tr>
<td>Receipts from sale of old songbooks</td>
<td>5.00</td>
</tr>
<tr>
<td>Pastor's salary for March</td>
<td>275.00</td>
</tr>
<tr>
<td>Sexton</td>
<td>40.00</td>
</tr>
<tr>
<td>Organist and singers</td>
<td>64.76</td>
</tr>
<tr>
<td>Repairs, gas, and minor expenses</td>
<td>51.45</td>
</tr>
<tr>
<td>Amount paid W. M. Woodcock for State Missions</td>
<td>171.75</td>
</tr>
<tr>
<td><strong>Balance in treasury</strong></td>
<td>11.86</td>
</tr>
</tbody>
</table>

The statement does not tie to the beginning and ending cash balance although it does show the ending cash balance in the treasury. There was only one fund accounted for during this period. Around 1900, accounting for several funds came into evidence.

The clarity of the September 1907 monthly report, as it appears in Illustration 11, improved. The receipts for the month plus the amount due the treasurer at the beginning of the month were matched against the expenses plus the amount due the treasurer at the end of the month showing the double underscored equality of the two.

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30 Ibid.
Only minor changes were noted in the basic nature and format of the monthly report in the two decades following the September 1907 monthly report. For example, in a 1927 monthly report the only change with the exception of the terminology and number of items reported is the netting of the receipts and disbursements to arrive at an ending cash balance rather than balancing the accounting numbers, as was done in 1907.31

Illustration 11

Monthly Report32
First Baptist Church
Nashville, Tennessee
September, 1907

<table>
<thead>
<tr>
<th>Receipts for August</th>
<th>$ xxx</th>
<th>$ xxxx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due treasurer Sept. 1st</td>
<td>xxx</td>
<td>$ xxxx</td>
</tr>
</tbody>
</table>

Disbursements

Dr. Burrows ______________________ $ xxx
Choir.
Mrs. Hollowell $ xx
Mrs. Manthey xx
Eugene Taverner xx
Gairns (organ) xx
Ben Webster (Sexton) xxx
Fans $ xx Grape juice $ xx

$ xxx

Due Treasurer August 1st xxx $ xxxx


32 Ibid.
In the almost two decades following the 1927 report, vast improvements were made in the reporting procedure. For one thing, an integrated set of financial reports was prepared. For the first time, the monthly reports showed comparative numbers. In the monthly report of May, 1945, the May 1944 numbers are compared to the May 1945 numbers. In addition to this, percentages were shown for certain numbers on the comparative statement of receipts and disbursements. Although difficult to follow, each fund was reported separately showing receipts and disbursements. Also, special reports appeared such as the Sunday School report, the Women's Missionary Society report, and the Neighborhood Mission report. Each report showed receipts and disbursements.

Also appearing in the monthly report during this period of time was the bank reconciliation for the month. It was a standard bank reconciliation format. Fund accounting was clearly evidenced in these 1945 statements.

In the nearly two decades following 1945 even further improvements could be seen in monthly reports. The conciseness, understandability, and quality were improved. For example, a July 1961 monthly report of the treasurer, shown in summary form in Illustration 12, showed comparisons on a monthly basis of actual and budgeted receipts and expenses. Also, comparisons of year to date

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### Illustration 12
Summarized Monthly Report
First Baptist Church
Nashville, Tennessee
July, 1961

#### Breakdown of Receipts and Disbursements—General Fund

<table>
<thead>
<tr>
<th></th>
<th>Jan. 1 Balance</th>
<th>Receipts July</th>
<th>Expended July</th>
<th>Budget Requirements</th>
<th>Receipts Year to Date</th>
<th>Expended Year to Date</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Missions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
</tr>
<tr>
<td>B</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Local Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
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<tr>
<td>B</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Building Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>B</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Budget Totals</strong></td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
</tr>
<tr>
<td><strong>Designated Gifts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
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<tr>
<td>B</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
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<tr>
<td>B</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Grand Totals</strong></td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
<td>$xx</td>
</tr>
</tbody>
</table>

34 Ibid.
budget, and actual receipts and expenses were reported which were major improvements in previous reports.

The report began with a detailed statement of receipts and disbursements for the general fund which included nearly all of the accounts of the church. Several special fund accounts were omitted from this statement. Many other sub-reports supported this main detailed report of receipts and disbursements. The sub-report included the following:

1. Summary statement of receipts and disbursements
2. Building fund statement showing fund activity
3. Fellowship fund statement showing fund activity
4. Statement of receipts and disbursements for missions
5. Statement of accounts payable at end of month

Although this 1961 monthly report showed improvements over previous reports with respect to conciseness and quality of information, the report had two primary shortcomings. The report excluded percentage breakdowns for receipts and expenditure items which had been included in earlier reports. Another shortcoming of the reports is that they do not articulate.

Annual financial reports. One of the earliest yearly reports found was that of the First Baptist Church of Nashville in 1845. The treasurer read his report and it was entered into the minutes by the church clerk. The report appears in Illustration 13.
Several features stand out with respect to this annual report. The list of contributors, filed with the annual report, showed how many people gave to the church and how much each one gave. This is not reported in today's churches. No names of contributors are published in the churches of today.

The second interesting item is "Commissions on collections." Many ways were utilized in the 1800's to encourage members to give money to the church. One such method was to hire a collection agent to aggressively seek contributions to the church. He was paid a commission on his collections for the church. Such procedure is unheard of today in churches. Thirdly, the annual report was read, and not passed out to the congregation. Treasurers of this era did not have the mechanical duplicating facilities of treasurers today.

A fourth interesting fact is that the treasurer apparently had to foot the bill as much as he could to help the church maintain a current liquid position. This is obvious on Illustration 13 by observing that he was paid money which was due him on January 1, 1844, and that he was owed money at January 1, 1845.

In addition to the treasurer "footing the bill" it is also evident that the pastor helped the church financially for he received less than his salary three years in a row. In the early years the church would periodically make a drive to pay the pastor his back salary. Most of the time the drive fell short.

Wide fluctuations can be noted in annual reports of the same church from one year to the next and particularly from one decade
Treasurer read his annual report January 11, 1845

Total Receipts (A list which accompanies his report shows from whom the amounts were received.)

<table>
<thead>
<tr>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid the Pastor in 1844</td>
</tr>
<tr>
<td>Paid the Sexton balance for 1843</td>
</tr>
<tr>
<td>Paid for coal</td>
</tr>
<tr>
<td>Paid for oil</td>
</tr>
<tr>
<td>Paid for two tin lamps</td>
</tr>
<tr>
<td>Paid the Sexton on accrual services for 1844</td>
</tr>
<tr>
<td>Commissions on collections</td>
</tr>
<tr>
<td>&quot;Payne Snow&quot;</td>
</tr>
<tr>
<td>Balance due treasurer 1 Jan. 1844</td>
</tr>
</tbody>
</table>

Excess of disbursements over receipts—due treasurer 2nd January 1845 $xxx

Balances due

| To the Pastor - Balance for 1842 | xxx |
| Balance for 1843 | xxx |
| Balance for 1844 | xxx |

| To the Sexton - Balance for 1844 | xxx |

---

35 First Baptist Church Nashville Records, Dargan-Carver Library, University of Michigan microfilm copy, reel entitled First Baptist Church Nashville, Tennessee, 1820-1916, Watkins Grove Church, 1873-75, Membership 1887-94.
to the next. In 1854 the annual report changed in format and
substance from the 1844 annual report as can be seen in Illustration
14.

Illustration 14
Annual Report of Treasurer
Jan. 17, 1855

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance due Sexton</td>
<td>$27</td>
</tr>
<tr>
<td>Balance due for stove</td>
<td>20</td>
</tr>
<tr>
<td>Balance due Stewart for repair</td>
<td>25</td>
</tr>
<tr>
<td>Balance due pastor</td>
<td>$116.33</td>
</tr>
<tr>
<td>Balance due Bro. Bay</td>
<td>250.00</td>
</tr>
<tr>
<td>Making the debt of the church</td>
<td></td>
</tr>
<tr>
<td>Amount in poor fund</td>
<td>21.85</td>
</tr>
</tbody>
</table>

Whereas the annual report in 1844 had receipts and disburse-
ments, the annual report of 1854 included only a listing of
liabilities and the balance in the poor fund.

Another substantial change could be noted in the annual report
of the treasurer on January 1, 1865. This report is similar to the
report of 1844. It will be noted that individual contributors are
listed as well as method of contribution. One such method is by
paying the rent of the church. The list is here considered an
integral part of the statements since it is included in the state-
ment proper. The annual report for 1864 is shown in Illustration
15.

36 ibid.
Illustration 15
Annual Report, 1864
First Baptist Church
Nashville, Tennessee

Received

<table>
<thead>
<tr>
<th>Name of Person</th>
<th>Method of Contribution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Rent of Church</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Miscellaneous</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Receipts</td>
<td></td>
<td>$xxx</td>
</tr>
</tbody>
</table>

Disbursements

- To Pastor - House rent for year xx
- To Pastor - House rent for year 1862 xx
- To Pastor - Fuel account xx
- To Pastor - Corporation taxes xx
- To Pastor - Water xx
- To Pastor - Cash xx xx
- To Sexton - xx - Expenses at theater xx xxx
- Miscellaneous xx xxx

Deduct amount due Treasurer xxx xxx

37 Ibid.
Notice that the treasurer still appears to be sole custodian of the funds. In this 1864 statement the receipts and disbursements are balanced with the amount due the treasurer, whereas in 1844 the format showed the subtraction to arrive at the amount due the treasurer.

In the following decade reports continued to change. In the 1872 annual report a breakdown of receipts according to type of contribution was reported. The report included five classifications of receipts. "Regular collections" referred to loose change in the offering plate. "Collections by envelope" referred to collections other than for subscriptions which were made by envelope. And collections from "regular subscriptions" referred to amounts contributed by members which were applicable to their individual subscribed budget designation. "Subscription for Greenville Seminary" and subscriptions to pay "indebtedness of church" referred to special pledged items received by members.

The reader should note that budgets were prepared during this decade but no comparisons of budgeted numbers with actual numbers was made.

During the 1880's the numbers and amounts of designated offerings rose. It can be noted that there are five collections of designated variety such as "Collections for State Missions" on the

\[38\text{Ibid.}\]
May 1, 1888 annual report for the fiscal year ended April 30, 1888 shown in Illustration 16.

Commissions were still being paid to a collection agent (Mrs. Darden). It seems odd and confusing that the amount due of $524.32 is due to both Mr. Darden and the treasurer. It is assumed that Mrs. Darden is owed more money than the $77.56 she received.

Another questionable item is collections for State Missions. If $598.70 was collected, why is it that only $577.70 was remitted. Someone probably asked that question in 1888.

The annual report of the treasurer for the year ended April 30, 1894 featured more detail of expenses coupled with a recapitulation and tying in the beginning and ending cash balances.39

Beginning in 1903, the annual reports were published in bulletin form. The April 30, 1903 report has significance because there is a change back to reporting names of contributors.40 In addition, the revenues and expenses are summarized, as opposed to being shown in detail as in the 1894 report, which has excessive detail and weak classification of accounts. The annual report in the bulletin was in most cases a summary of the detailed annual report to the church, similar to the 1894 detailed annual report.

39First Baptist Church Nashville Records, Dargan-Carver Library, University of Michigan microfilm copy, reel entitled First Baptist Church Nashville, Tennessee, 1834-1910, List of Members.

40Ibid.
Illustration 16
Annual Report, 1888
First Baptist Church
Nashville, Tennessee

<table>
<thead>
<tr>
<th>Receipts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounted Collected by Mrs. Darden</td>
<td>xxx</td>
</tr>
<tr>
<td>Collected through envelopes</td>
<td>xxx</td>
</tr>
<tr>
<td>Sunday Collections</td>
<td>xxx</td>
</tr>
<tr>
<td>Collections for Poor</td>
<td>xxx</td>
</tr>
<tr>
<td>Collections for State Missions</td>
<td>598.20</td>
</tr>
<tr>
<td>Collections for ?</td>
<td>xxx</td>
</tr>
<tr>
<td>Collections for Foreign Missions</td>
<td>xxx</td>
</tr>
<tr>
<td>Collections for Davidson County Bible Society</td>
<td>xxx</td>
</tr>
<tr>
<td>On hand April 1, 1887</td>
<td>xxx</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Pastor</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Scall Welborn</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Dr. Hood</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Incidental expenses</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Rabour</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Mrs. Darden Commission</td>
<td>77.56</td>
</tr>
<tr>
<td>Paid State Missions</td>
<td>577.70</td>
</tr>
<tr>
<td>Paid ? Missions</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Imanuel Mission</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Foreign Mission</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Davidson County Bible Society</td>
<td>xxx</td>
</tr>
<tr>
<td>Paid Poor</td>
<td>xxx</td>
</tr>
<tr>
<td>Amount due Mrs. Darden &amp; Treasurer</td>
<td>524.32</td>
</tr>
</tbody>
</table>

*From the above report you will see that our receipts have not been sufficient to meet our expenses.

41 Ibid.
The 1915 annual report, shown in Illustration 17, represented some early evidence of a fund accounting approach. It can be noted that there is a general fund account with transfers between accounts. In addition, this particular statement has a footnote to it. It also included lists of contributions by members.

The statement of receipts and disbursements for the year ended April 30, 1923, shown in Illustration 18 on page 99, shows evidences of significant change. No longer were the individual names of contributors listed. In addition, the number of funds increased considerably. Transferring cash among funds increased. The classification on the report was too detailed.

There was a formal budget for the year 1928 as evidenced by the classification of receipts for budget expenses and plate receipts.

The 1939 report was significant because it has three important improvements over the 1928 report. The first improvement was the percentage of receipts classification according to (a) receipts for current expenses (50%), (b) receipts for missions (40%), and (c) receipts for sinking fund. The percentage of 10% was not on the actual statement. The second improvement from a management point of view was that the 1939 numbers were compared to the 1938 numbers--comparative numbers for the first time in annual

---

Footnote: 42 First Baptist Church Nashville Records, Dargan-Carver Library, University of Michigan microfilm copy, reel entitled First Baptist Church Nashville, Tennessee, Annual Reports.
Illustration 17
Annual Report, 1915
First Baptist Church
Nashville, Tennessee

Receipts

<table>
<thead>
<tr>
<th>Contributors</th>
<th>Current Expenses</th>
<th>Missions Orphanage Etc.</th>
<th>Missions Contributions by W.M.U.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Doe</td>
<td>xx</td>
<td>....</td>
<td>....</td>
<td>xx</td>
</tr>
<tr>
<td>Jim Jones</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Cash</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Total</td>
<td>XXXX</td>
<td>XXXX</td>
<td>XXXX</td>
<td>XXXX</td>
</tr>
</tbody>
</table>

*Owing to the limited space totals of less than $1.00 have been placed in the cash columns.

Summary

Receipts:
- Cash on Hand April 30, 1914 $xxx
- Received from envelopes and incidentals including Benevolences $xxx
- Received for Missions $xxx
- Received for W.M.S. $xxx
- Not disbursed $xxx
- General Fund Overdrawn $xxx

Disbursed:
- Current Expenses $xxx
- Missions $xxx
- Benevolences $xxx
- Transferred to insurance account $xxx
- Credit insurance account, $xxx

---

43 First Baptist Church Nashville Records, Dargan-Carver Library, University of Michigan microfilm copy, reel entitled First Baptist Church Nashville, Tennessee, 1834-1910, List of Members.
## Illustration 18

**Annual Report, 1928**  
First Baptist Church  
Nashville, Tennessee

### Receipts

**Missions:**

- **Cooperative -**  
  - Woman's Missionary Society  
    - Men  
    - Business Woman's League  
  - Thank Offering (Southwide)  
    - Woman's Missionary Society  
    - Men  
    - Business Woman's League  
  - Home Mission (Honor Day)  
    - Woman's Missionary Society  
    - Men  
    - Business Woman's League  
  - Home Missions  
    - Woman's Missionary Society  
  - State Missions  
    - Woman's Missionary Society  
  - Foreign Missions  
    - Woman's Missionary Society  
    - Business Woman's League  
  - Good Will Center  
  - Benevolent Fund  
  - Seventeenth Avenue Mission  
  - Orphanage  

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woman's Missionary Society</td>
<td>$ xx</td>
</tr>
<tr>
<td>Men</td>
<td>$ xx</td>
</tr>
<tr>
<td>Business Woman's League</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Thank Offering (Southwide)</td>
<td>$ xx</td>
</tr>
<tr>
<td>Woman's Missionary Society</td>
<td>$ xx</td>
</tr>
<tr>
<td>Men</td>
<td>$ xx</td>
</tr>
<tr>
<td>Business Woman's League</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Home Mission (Honor Day)</td>
<td>$ xx</td>
</tr>
<tr>
<td>Woman's Missionary Society</td>
<td>$ xx</td>
</tr>
<tr>
<td>Men</td>
<td>$ xx</td>
</tr>
<tr>
<td>Business Woman's League</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Home Missions</td>
<td>$ xxx</td>
</tr>
<tr>
<td>State Missions</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Foreign Missions</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Good Will Center</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Benevolent Fund</td>
<td>$ xx</td>
</tr>
<tr>
<td>Seventeenth Avenue Mission</td>
<td>$ xx</td>
</tr>
<tr>
<td>Orphanage</td>
<td>$ xxx</td>
</tr>
</tbody>
</table>

### Current Expenses

- **Budget**  
  - $xxx  
  
- **Plate**  
  - $xxx  

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Fund</td>
<td>$xxx</td>
</tr>
<tr>
<td>Woman's Missionary Reserve Fund</td>
<td>$xxx</td>
</tr>
<tr>
<td>School Missions</td>
<td>$xxx</td>
</tr>
<tr>
<td>Ladies Parlor for Furnishings</td>
<td>$xxx</td>
</tr>
<tr>
<td>(Woman's Missionary Society)</td>
<td>$xxx</td>
</tr>
<tr>
<td>Gideons Contribution</td>
<td>$xx</td>
</tr>
<tr>
<td>Checks made good at bank</td>
<td>$xx</td>
</tr>
<tr>
<td>Prayer meeting fund</td>
<td>$xx</td>
</tr>
<tr>
<td>Supper Contributions for the cook's salary</td>
<td>$xxx</td>
</tr>
</tbody>
</table>

### Transfer from Building Fund for Loan

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life &amp; Casualty - Principal</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Interest</td>
<td>$xxx</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Building Fund for Loan</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Life &amp; Casualty - Principal</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Interest</td>
<td>$xxx</td>
</tr>
</tbody>
</table>
Illustration 18 (Continued)

Transfer from Building for
Sunday School equipment,
Insurance, Remodeling, etc. $xxxx $xxxx $xxxx

Plus balance on hand December 31, 1927 $xx
Total Receipts $xxxx

Disbursements

Mrs. Henderson Baker, Treas. W.M.S. $ xxx
Dr. O. E. Bryan, Treasurer xxx
H. H. Farr, Treas. Benevolent Fund xx
Miss Ruby Stover, Treas. 17th Ave. Mission xx
Buford Wilson, Treas. Sunday School xx
Salaries xxx

Life & Casualty Insurance Co., on loan
Principal xxx
Interest xxx xxx

American National Bank - Building Fund xxx
American National Bank - Sinking Fund xxx
Sunday School Equipment xxx
Incidentals xxx
Insurance xxx
Remodeling Old Sunday School Rooms xxx
Educational Building - Architect's fee, etc. xxx
Advertising xxx
Interest on note at bank xx
American National Bank on note xx
Tea Room for Young People xx
School of Missions Expense xx
B. Y. P. U. xx
Checks returned by bank unpaid xx
J. H. D. Stevens - Contribution for Gideons xx
Error in deposit xx

Accounts Payable December 31, 1927:
Grizzard Sing Co. $xx
Willis Music Co. xx
Bond-Sanders Paper Co. xx
Banner xx
Tennessean xx
Merchants Ice Delivery xx xxx

Prayer Meeting Fund transferred to
Prayer Meeting Fund
Treasurer - $xxxxxx
Total Disbursements xxx
Balance on hand December 31, 1928 $xxxxxx
reports. A third improvement was the separate reporting of special funds—the building fund report was reported separately.

The 1949 annual report was very similar to the 1939 report in that the report included percentages, although only one percentage was included. The report also included comparative numbers and separate reporting of special funds. No significant changes were noted.

The 1959 annual report, shown in Illustration 19, again had classifications of budget receipts and non budget receipts. The report was classified into sections according to funds and bank accounts—general fund, fellowship fund, Cora Tibbs savings account, and neighborhood savings account.

Two significant changes can be noted from the 1949 report. First, no comparison was shown between the previous year and current year (except for one figure—total tithes and offerings). The second change was the completion of a previous trend away from percentage breakdowns. No percentages were shown in the 1959 report.

Financial reporting has played an integral part in Southern Baptist Convention churches from its inception in 1948. In the early years of the Convention, emphasis was placed on reporting the liabilities of the church; in later years on cash receipts and disbursements. This was usually done on a monthly and yearly basis.

45 Ibid.
Illustration 19
Annual Report, 1959
First Baptist Church
Nashville, Tennessee

Summary of Receipts and Disbursements
General Fund--1959

<table>
<thead>
<tr>
<th>Balance on hand January 1, 1959</th>
<th>$ xx,xxx</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECEIPTS</strong></td>
<td></td>
</tr>
<tr>
<td>Church Budget</td>
<td>$xxx,xxx</td>
</tr>
<tr>
<td>Missions, Designated</td>
<td></td>
</tr>
<tr>
<td>Baptist Schools</td>
<td>xxx</td>
</tr>
<tr>
<td>City Missions</td>
<td>x,xxx</td>
</tr>
<tr>
<td>Fellowship Fund</td>
<td>x,xxx</td>
</tr>
<tr>
<td>Foreign Missions</td>
<td>x,xxx</td>
</tr>
<tr>
<td>Home Missions</td>
<td>x,xxx</td>
</tr>
<tr>
<td>State Missions</td>
<td>xxx</td>
</tr>
<tr>
<td>Miscellaneous Missions gifts</td>
<td>x,xxx</td>
</tr>
<tr>
<td>Total Missions gifts, designated</td>
<td>xx,xxx</td>
</tr>
<tr>
<td>Other Designations</td>
<td></td>
</tr>
<tr>
<td>1960 Campaign</td>
<td>xxx</td>
</tr>
<tr>
<td>Revival Offerings</td>
<td>x,xxx</td>
</tr>
<tr>
<td>Debt Retirement</td>
<td>xxx</td>
</tr>
<tr>
<td>Miscellaneous designations</td>
<td>x,xxx</td>
</tr>
<tr>
<td>Total Tithes and Offerings</td>
<td></td>
</tr>
<tr>
<td>(1958, $xxx,xxx)</td>
<td>xxx,xxx</td>
</tr>
<tr>
<td><strong>Other Receipts</strong></td>
<td></td>
</tr>
<tr>
<td>Dining Room</td>
<td>xx,xxx</td>
</tr>
<tr>
<td>Insurance refund on property damage</td>
<td>xxx</td>
</tr>
<tr>
<td>Rent from property</td>
<td>xx,xxx</td>
</tr>
<tr>
<td>City tax refund</td>
<td>xx</td>
</tr>
<tr>
<td>Loan from First American National Bank</td>
<td>xxx,xxx</td>
</tr>
<tr>
<td>Total to account for</td>
<td></td>
</tr>
</tbody>
</table>

| **DISBURSEMENTS**             |         |
| Church Budget                 | xxx,xxx |
| Designations                  |         |
| Carroll St., Broad St., & Outdoor Adv. | xxx,xxx |
| Property                      | xxx,xxx |
| Cash balance December 31, 1959 | $ xx,xxx |
SUMMARY OF MISSIONS GIFTS DURING 1959

American Bible Society $ xxx
Associational Missions x,xxx
Baptist Schools x,xxx
City Missions xx,xxx
Cooperative Program xx,xxx
Fellowship Fund x,xxx
Foreign Missions x,xxx
Home Missions x,xxx
State Missions xxx
Tennessee Preparatory School x,xxx
United Tennessee Leagur xxx
Miscellaneous Missions gifts (1958, $xx,xxx) x,xxx $xxx,xxx

SPECIAL BANK ACCOUNTS (Summary of Receipts and Disbursements, 1959)

FELLOWSHIP FUND
Cash balance January 1, 1959 $ xxx.xx
Receipts for 1959 x,xxx.xx
Total $x,xxx.xx
Less Disbursements x,xxx.xx
Cash balance December 31, 1959 $x,xxx.xx

CORA TIBBS SAVINGS ACCOUNT
Cash balance January 1, 1959 $ xxx.xx
Designated Receipts xx.xx
Interest Earned xx.xx
Cash balance December 31, 1959 $x,xxx.xx

NEIGHBORHOOD MISSION SAVINGS ACCOUNT
Cash balance January 1, 1959 $ xxx.xx
Designated receipts x,xxx.xx
Interest earned xx.xx
Cash balance December 31, 1959 $x,xxx.xx

46 Ibid.
No efforts were made in these early years to provide efficient reports to decision makers. All reports were generally reported to the church body at regular meetings.

Personnel Information Reporting

As previously pointed out, for purposes of this dissertation, the personnel information system is inclusive of both information on the hired employees and on members of the general membership since the members perform many duties for the church. "Membership" means membership in any of the organizational components of the church. For example, a person may be a member of Sunday School and not a member of the church. Special emphasis has always been given to Sunday School membership and a section is devoted to it in discussing the personnel information reporting.

Church employees. One part of personnel information reporting concerns hired employees. From the beginning of the Southern Baptist Convention until today, little information has been gathered on employees. Only in recent years has any attention been given to evaluation of church employees and then on a sketchy, ill-defined basis.

Church employees from the pastor to the church clerks have been evaluated, and are now evaluated, on a subjective basis. The pastor is often subjectively evaluated on how well the church is doing rather than on how well he is performing and achieving the job objectives set forth for him by the church. The same is true of other employees. Gathering information for the purpose of evaluating
employees has been, and is now, a much neglected area of church administration.

Today employees in some churches are evaluated on the basis of how well their particular area of church life is doing. For example, the minister of music is evaluated on the basis of the monthly music report as shown in Illustration 20. This type report can be seen as early as the 1940's for music directors. The minister of education is evaluated on the basis of how well the Sunday School and church training programs are doing. A typical monthly report of the minister of education is shown in Illustration 21 on page 107.

It is significant to note that the two reports do not show how much money was expended on the respective programs. This has been a key deficiency in church reporting—matching expenditures with special programs.

Church members. Another part of personnel information reporting concerns church members. From the beginning of the Southern Baptist Convention until today, records have been kept and reports made of membership. Information on members has been recorded as early as 1850 in a special membership book. Prior to 1850, new members were recorded only in the church minutes and numbered similar to the following:

Name I Received by letter I Married I Date left church

When a person died he was listed similarly in the church minutes except the listing had a heavy black line around it.
Illustration 20
Music Report for November -- 1959
First Baptist Church
Nashville, Tennessee
(Business Meeting)

<table>
<thead>
<tr>
<th>Name of Choir</th>
<th>Average Attendance</th>
<th>Number Enrolled</th>
<th>Average Att. Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Church</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>2. College</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>3. Chapel</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>4. Junior</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>5. Primary One</td>
<td>x</td>
<td>xx</td>
<td>x</td>
</tr>
<tr>
<td>6. Primary Two</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>7. Beginner</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Men's Choir</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Total Choir Enrollment</td>
<td>xxx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Song Leaders &amp; Pianists</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Choir Sponsors</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Totals----------------</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Total Music Enrollment</td>
<td>xxx</td>
<td>On Music Committee</td>
<td>x</td>
</tr>
</tbody>
</table>

Special events

Number of pianos in church Number tuned this month

Additional report

Study course awards since October 1 xx

Minister of Music

Illustration 21

Education Report
September, 1959
First Baptist Church
Nashville, Tennessee

Comparative Statistical Report

<table>
<thead>
<tr>
<th></th>
<th>1959</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sunday School</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrollment</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Members Present</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Total Present</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>New Members</td>
<td>xxx</td>
<td>xx</td>
</tr>
<tr>
<td>Visitors</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td><strong>Training Union</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enrollment</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Average Attendance</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>New Members</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Visitors</td>
<td>xxx</td>
<td>xxx</td>
</tr>
</tbody>
</table>

**Observations**

1. Promotion Day was observed September 27 with a good response throughout both Sunday School and Training Union.
2. Training Union Enlargement and Efficiency Week was observed in September with an enrollment of xxxx and an average attendance of xxx.
3. In the Sunday School, one new department is being organized to begin work November 1. In addition, four new adult classes were organized with the beginning of the new year.

48Ibid.
Occasionally these were summarized to show a listing of current membership. A typical yearly summary of membership for this period is illustrated below:

December 24, 1843

<table>
<thead>
<tr>
<th>No. of members</th>
<th>18</th>
<th>3</th>
<th>352</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baptized during year</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received by letter</td>
<td>21</td>
<td>35</td>
<td>387</td>
</tr>
<tr>
<td>Dismissed by letter</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excluded</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Died</td>
<td>3</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

As early as 1850 a formal membership book was kept. A typical book, and there were many varieties of books, had between five and ten columns and appeared in bound form as follows:

Dismissed  | Name of Members | When Rec'd | How Rec'd | Remarks |
Other forms of membership books included additional columns such as birthday, spouse's name, number of children, and date of excommunication.

By 1923 the membership record book had changed very little. In 1923 the membership record book appeared as follows:

Increase

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter</td>
</tr>
</tbody>
</table>

Decrease

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter</td>
</tr>
</tbody>
</table>

49Ibid.
50Ibid.
Although there are more categories the basic information remained the same.

Even today, the basic format of the membership record book is much the same. This is true even in churches which have adopted a computerized information processing system. Some churches keep a chronological list of members for backup data; other churches keep the list alphabetically.\(^\text{51}\)

Computerized information processing of membership data today provides much more information than the traditional membership record book. In addition to the information reported in the membership record book, a computer printout includes such information as blood type, hobbies, and previous church work record. In addition, the computer printout is coded. An example of a computer printout\(^\text{52}\) is shown in Chapter IV.

Most churches using the Membership Services Incorporated computer service receive three or four duplicate printout of membership profile lists weekly. In addition, Membership Services Incorporated will run special lists of members upon request, such as "all members over 65 years of age."

\(^{51}\)Personal interview with Mrs. Billy R. Bell, Pastor's Secretary, First Baptist Church, Lafayette, Louisiana, August 1974.

\(^{52}\)This is a "dummy" computer printout in the sense that names have been changed to preserve the members' anonymity.
Sunday School members. Sunday School attendance has long been the hypothetical gauge of church growth and effectiveness. Consequently, from early Sunday School reports such as the 1890 Sunday School report of the First Baptist Church of Dallas, which showed only the number of teachers in the Sunday School, until the computerized Sunday School reports of today, there has been a steady improvement in Sunday School reports. The purpose of the reports is to promote the efficiency and effectiveness of the Sunday School. Even in early reports the importance of comparative numbers and reporting percentage increase and decrease were recognized.

Sunday School reports in the early days of the Convention included only numbers of "scholars" attending. As early as 1931 the dollar contribution of the Sunday School was determined and reported. In 1931 the Bales Baptist Church of Kansas City listed contributions by the Sunday School as follows:

1. by department
2. by class
3. by envelope
4. by loose
5. special

A typical Sunday School monthly report in large churches in the 1950's was prepared by the minister of education. The report included enrollment, average total present for the month, new members,

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53 First Baptist Church Dallas Records, Dargan-Carver Library, Microfilm unit of the Sunday School Board, reel entitled Minutes, First Baptist Church Dallas, Dallas, Texas, 1877-Jan. 1, 1913.

54 Bales Baptist Church Records, Kansas City, Missouri, Dargan-Carver Library, Microfilm unit of the Sunday School Board, reel entitled Records, Bales Baptist Church, Kansas City, Missouri, Account Book, 1931-1934.
and visitors. Some reports included a footnote section by the minister of education. In particular, it might include comments or changes in Sunday School program or reports of special events.

In recent years persons attending Sunday School were required to answer a personal performance form. It included answering the following types of questions.

1. Name
2. Attendance—yes or no
3. On time—yes or no
4. Prepared Sunday School lesson—yes or no
5. Daily Bible reading—yes or no
6. Attending Worship service—yes or no
7. Offering $________

Often each category was assigned a percentage. In addition, the totals were put on a bulletin board in the worship service for all present to see as well as published in the weekly bulletin to all members.

In the past decade more and more churches have been computerizing the gathering and reporting of information on Sunday School members. Computer applications is discussed in the next chapter in detail. A copy of the computer printout can be seen in the church membership section.

Logistical Information Reporting

Churches like most organizations have a need for certain types of logistic information. Logistic information did not become a problem until the twentieth century and probably not until the most recent twenty-five years has it become a significant problem. The basic reason for this is that in early years the Southern Baptist Churches were not large. There were practically no large churches in
the same sense that large means today (average attendance of between 1,000 and 5,000 in Sunday School).

The larger the churches became the more important became logistic information. They need to know where to send busses to pick up children for Sunday School, where to concentrate certain church programs within the city, where their equipment can be utilized best, and where their equipment is located.

Since gathering of logistic information has become so important in recent years, it is discussed in detail in the case studies in the next chapter.

SUMMARY

Even though the Southern Baptist Convention was not formed until 1845, Baptist churches existed prior to this time. Summary information has been recorded and reported as early as 1707 by the Philadelphia Baptist Association. These early associations reported information such as total membership, number of additions to the church, number of losses (including excommunication and death). Other general information was reported on churches but financial information was not reported.

The first of several attempts to report denomination wide statistics was in 1790. The *Annual Register of the Baptist Denomination in North America to November 1790* was assembled and published by John Aspland. The publication included general information on associations and churches such as geographical location, the date the church was constituted, number of ministers and an occasional associational treasurer's report. Very little financial information was included.
Although frequency of reporting of financial data gradually increased, it was not until 1882 that the first denominational wide financial highlight report was presented to the Convention by Lansing Burroughs. Prior to 1882 the recognition of need for financial summaries had been growing. In 1873 the Sunday School Board recognized the need for meaningful data and in 1878 the Convention recognized the need for cost benefit studies by its Mission Board.

Before his death in 1919, Burroughs provided the impetus for the uniform gathering of information from churches. In his last report to the convention he urged the adoption of a uniform report form. Following upon the recommendation, E. P. Aldridge introduced in 1921 a uniform statistical form for associational clerks to use in reporting data to the Convention; and, in 1940, Martin Bradley introduced a uniform church letter which allowed procurement of data directly from the local church. The uniform church letter has varied only slightly since 1964 and the most recent form is shown on page 79. Although denominational statistics are now prepared, they are not directly applicable to the local church decision process but serve to guide denomination wide work and emphasis. The reports do give the local church bodies a summary of how the denomination is progressing.

The internal information systems of churches includes the financial, personnel and logistic information systems. In the financial information system it was noted that the treasurer has been responsible as early as 1727 for the procurement, maintenance and reporting of financial information. In the 1830's reporting was informal, usually done orally by the treasurer, and "accounts" were kept by the treasurer. As early as 1833 accounts were audited by an
independent third party and an oral attest function was performed. As early as 1840 regular monthly reporting existed. Often the treasurer had to pay church accounts from his own pocket since on many monthly and yearly reports the deficits were called "due to treasurer". From 1840 to 1892 monthly reports emphasized the indebtedness of the church and around the end of the nineteenth century the cash receipts and disbursements statements became the regular monthly statements. From the turn of the century until 1927 gradual improvements in report format were noted. In 1927 the first integrated set of financial reports was noted. Comparative numbers were evidenced in the 1927 report. In 1945 percentage analysis was used on the monthly reports. In 1945 fund accounting was in evidence. From 1945 to 1961 further improvements were made in conciseness and understandability, but the statements did not appear to be geared toward optimal decision making but toward control of expenditures based on receipts. Decisions seemed to revolve around operations control rather than management control or strategic decisions control.

The yearly reports evidenced the same progression as monthly reports. A few interesting variations were noted. For a period of time between 1845 and 1915 contributors' names were published showing how much their individual contributions were. In some cases the nature of the contribution and designation of the contribution were identifiable from the annual report. An agent was hired in some cases to collect delinquent pledges by members. The agent was paid a commission and the results of his efforts were reported. In 1928 names of contributors were deleted.
Annual reports varied as to form and content over time in the same church and from church to church. In general, a balance sheet approach was evidenced in early years and a receipts and disbursements approach in later years.

Collections were classified. As early as 1872 collections were classified as: (1) loose change, (2) envelope collections, and (3) special collections (which were listed). In all cases the reports went to the deacons and then were reported to the church.

The personnel information system on church employees has remained unchanged. Employees are evaluated subjectively.

The personnel information system on church members and Sunday School members did not change much until the advent of computer applications in churches during the 1960's. In 1830 a chronological file was kept on members who joined, which included name, how received, married, date left church columns. This same information is kept today by churches. As early as 1843 yearly summaries were made of total membership and changes in membership. The same summaries are prepared by churches today. Computer applications have revolutionized reporting of membership in the last decade (see the master membership profile discussion in Chapter IV).

No formal logistics information system was noted by the researcher. Evidently due to the sizes of the churches, no system was needed until recent years.
CHAPTER IV

CASE STUDIES OF LARGE SOUTHERN BAPTIST
CONVENTION CHURCH INFORMATION SYSTEMS

INTRODUCTION

The previous chapter presented a brief history of church information systems within the Southern Baptist Convention. As such the previous chapter dealt with the past. The purpose of this chapter is to present information on the present structure of church information systems. This goal is achieved by presenting primary research material gathered in case studies of individual churches. The research material is not analyzed in this chapter. The research material is merely presented at this point to provide a foundation for analysis and recommendations in Chapter V.

The case study research data is presented on individual churches studied. Names of the churches are not revealed and churches are referred to as Church A, Church B, Church C, and Church D.¹ There are two basic types of information processing systems used in the case study churches. Church A and Church B have partly computer based systems while Church C and Church D have manual based systems. Church A utilizes two computers in processing its information, and Church B utilizes three computers.

¹All of these churches were visited by this researcher and a programmed set of questions were used as a basis for inquiry.
All these churches meet the criteria as "large" churches as defined in Chapter 1, page 17. Some information relative to size and type of church is shown in Table 1.

Table 1
General Data on Case Study Churches

<table>
<thead>
<tr>
<th>Church</th>
<th>Type of Church</th>
<th>Church Membership</th>
<th>Total Receipts</th>
<th>Value Church Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church A</td>
<td>Mission Area</td>
<td>2,900</td>
<td>$380,000</td>
<td>$1.6 Million</td>
</tr>
<tr>
<td>Church B</td>
<td>Large Metropolitan</td>
<td>15,000</td>
<td>$5,000,000</td>
<td>$18 Million</td>
</tr>
<tr>
<td>Church C</td>
<td>Residential Suburban</td>
<td>2,600</td>
<td>$500,000</td>
<td>$2.3 Million</td>
</tr>
<tr>
<td>Church D</td>
<td>Inner City</td>
<td>6,000</td>
<td>$700,000</td>
<td>$4.0 Million</td>
</tr>
</tbody>
</table>

Each church studied has three basic information systems including the financial information system, the personnel information system and the logistic information system.

The financial information systems of the churches evolve around the sequence of financial events in the financial year shown in Illustration 22. The financial year of each of these churches begins with, and centers around, the budget. Several months before the beginning of the church year the budget committee, composed of elected church members, prepares a proposed budget. The church

2Table of statistics was condensed from case study material. Numbers are rounded.

3The earliest that a case study church began its planning for the subsequent fiscal year was six months before the beginning of the fiscal year.
membership then votes to approve the budget. Following this a promotion drive is begun to pledge the budget. This involves receiving a response from each member on how much money the member intends to give the church for the budget year. This is called a "pledge". Sometimes the budget is revised slightly. During the year receipts and disbursements are recorded and monthly statements are prepared which compare actual receipts and disbursements with budgeted receipts and disbursements.  

A balance sheet is prepared in some churches. The statements are then analyzed to determine if operating changes need to be made.

**Illustration 22**

Sequence of Financial Events in Church Financial Year

---

**Church Financial Year**

- Budget Committee Proposes Budget
- **Membership Approves**
- **Members Pledge Support**
- **Monthly Financial Statements**
- **Analysis of Statements**

---

4 The only church which did not have monthly statements was Church C. It was planning monthly financial statements for the following year.

5 All churches except Churches C and D prepare a monthly balance sheet.

6 Summarized from interviews with pastors of case study churches.
The personnel information system varies among churches, particularly the processing function. The churches each gather basic information on employees and members. The logistic information system is less developed in these churches because of a perceived lack of real need for such a system.

The research data is presented in two parts categorized as computer based systems and non-computer based systems. The churches have similar systems except that churches with computer based systems are very different from churches with non-computer based systems. For this reason one computer based church is discussed in detail and one non-computer based church is discussed in detail.

COMPUTER BASED SYSTEMS

Church A and Church B have partially computer based financial, personnel, and logistic information systems. The two systems were very similar. Therefore, primary emphasis is placed on one church, Church A, in presenting the research data on computer based church information systems. Where the information systems were significantly different, both Church A and Church B research data is presented.

The information system of Church A has three basic parts which are fairly well defined—the financial information system, the personnel information system, and the logistic information system. These three parts form the total church information system. 6

7 Information included on Church A was obtained through personal interviews with members, employees, and persons associated with Church A and through study of the information flows within the church.
Financial Information System

The Church A financial information system includes both the financial and managerial accounting system. The financial data is input into the financial information system by the church financial controller who transmits the data to a CPA firm.\(^8\)

The CPA firm inputs the data into its computer. The computer memory houses all accounts and related totals and subtotals for cash receipts and disbursements, and budgetary data. Two basic statements—balance sheet and a statement of results of operations—are printed monthly. The accounts listed in the statement of results of operations are compared with budget data by account classification. Favorable and unfavorable variances are shown for receipts and disbursements.

The reports are prepared on a cash basis. The total monthly budget figures are prepared by taking one-twelfth of the yearly budget.

In addition, Church B prepares monthly budget responsibility reports for department heads.

Cash receipts. Church B uses the two-line envelope system whereby members are encouraged to give all money by pre-numbered envelopes. The two-lines on the envelope include (1) undesignated amounts and (2) designated amounts. If designated for a special purpose the special purpose must be indicated.\(^9\)

---

\(^8\) Statement by Financial Controller, Church A, in a personal interview, August 22, 1974.

\(^9\) Research material presented on cash receipts was obtained from various persons in case study churches who were involved in receipt, control, and recording of cash receipts. Most of the material presented in this section was obtained in interviews with the financial controllers of Church A and Church B.
The envelopes are pre-numbered by family account number and come to the accounting department from three sources: (1) Sunday School, (2) Worship services, and (3) other. "Other" includes receipt of envelopes during any period other than 1 and 2. Any time during a regular week that loose money or envelopes are received they are placed in the safe. On Monday the safe is opened by the financial controller and counting procedure begins.

On Sunday morning envelopes from Sunday School receipts are received in blue bags from each Sunday School department. On Monday, worship service envelopes and all other envelopes received during the week are sorted into the appropriate blue bags if it can be determined which Sunday School department the person is in.

A series of counting trays is set up and the envelopes are opened and counted. As each envelope is opened the agreement of the face of the envelope and the amount contained in the envelope is ascertained to be the same. If not the same, the face amount is adjusted to agree with the contents of the envelope. The counting procedures are performed by full time employees and supervised by the financial controller.

Each Sunday School department is represented by a tray and as the envelopes are opened the content is sorted into the tray by checks, $10 bills, $5 bills, $1 bills, half dollars, quarters, dimes, nickels, and pennies. Only undesignated (general fund contributions) items are placed in the department trays. Designated items are placed in special trays for designated items. For example, there would be a tray for items designated as building fund. In essence this means the receipts are sorted by account number since, for example,
"building fund" has an account number. A tally sheet is made for each department showing the actual cash received.

Then an adding machine tape is run on the envelopes by department (or tray). The adding machine tape, which stays with the batch envelopes, should agree with the tally sheet.

A summary tally sheet showing subtotals by department along with the batched envelopes and respective adding machine tape is mailed to Membership Services Incorporated (MSI). MSI enters the information on its computer as to amount, family account number, and general ledger receipts account number. The MSI computer collates the data elements and totals and stores the above two types of amounts (family amount and general ledger account amount).

MSI performs at least two primary services on the basis of these numbers. Information as to general ledger account number is summarized as a basis for the CPA firm's entry onto the general ledger and MSI maintains a membership contributions subsidiary ledger for the church. On the basis of the contributions ledger MSI provides profile lists of membership giving, as well as per capita contributions on members.

In Church A the financial controller, along with the collection committee, is responsible for cash approval and disbursements procedures as well as cash receipts procedures. The procedure for the collection and deposit of cash is basically that upon collection, monies are counted to see if totals agree with the sum of the totals marked on the pre-numbered membership contributions envelopes totals plus the total loose cash collection. A collection count sheet is used. Then on Sunday night the money is dropped in a night depository.
In Church A all cash collected during the week, Monday through Saturday, is kept by the deacons or by the financial secretary until the Sunday deposit. In other words, one deposit per week is made. On Monday morning the financial controller picks up the deposit bags at the bank and counts the money at the bank where they check the agreement of amount and face on the contribution envelope and prepare in triplicate the weekly summary of receipts. One copy is remitted to the CPA firm, one copy goes to the treasurer, and one copy is kept by the financial controller.

Cash disbursements. In Church A cash disbursements begin with the filling out of a purchase requisition by an authorized person. The financial controller approves the purchase requisitions unless the requisitions are for very large amounts. Very large amounts are approved by the budget committee. However, no specific amount could be named as a cut off point between very large and small. The purchase requisition form included the following information:

1. Date of requisition
2. Date needed
3. Code number
4. Using department
5. Recommended vendor
6. Quantity, description, amount
7. Signature of person making request
8. Signature of person authorizing purchase, date

---

10 Statement by Financial Controller, Church A, loc. cit.
The financial controller is also responsible for writing the checks, in triplicate. She first marks on the check the ledger account classification of the disbursement. The original copy is remitted to the vendor. The second copy of the check is transmitted to the CPA firm as a basis for input to the general ledger. The third copy (pink copy) is clipped to the invoice and when paid placed in the paid invoice file. ¹¹

In order to avoid an overdraft she compares the budget total with the budget receipts from monthly reports and uses her judgement during the month. She is also responsible for all payroll distribution functions except she is required to have a co-signature on the check. There is no formal business policy book used to delineate cash disbursements procedures in Church A. ¹²

In Church B disbursements procedures are more formally established because of the existence of a business policy handbook. Church B disburses funds for three general purposes. Funds are disbursed for (1) the general operations of the church as designated in the budget, (2) compliance with designated requests of donors and (3) operation of self supporting activities. ¹³

"The disbursement of funds for the general operation of the church requires that each invoice to be paid be accompanied by authorization for charging the expense to the appropriate expense account by the individual with responsibility over the specific organizational component. The primary authorization for establishing a valid

¹¹Ibid.

¹²Ibid.

¹³Statement by Business Administrator, Church B, in a personal interview, February 10, 1975.
expense account is the annual budgeting procedures -------. Additionally accounts can be established by obtaining proper approval or by transferring previously budgeted funds from the accounts under the transferors responsibility by properly notifying the budget director.14

Detailed responsibility center charts are available to all personnel.15 The chart, shown in Illustration 23, lists the responsibility centers and the person who has the responsibility of authorizing expenses in that center. In addition, the detailed budget is broken down by responsibility centers.16

The business component reviews expense account authorizations for propriety.

Designated donations require written documents in order for the donation to be allocated to the designated expense category. Usually the documentation is presented by the organizational component benefitting from the designated donation.17

Neither Church A nor Church B had any form of receiving reports.

Processing by Certified Public Accounting firm. Based upon the financial data provided by the financial controller of Church A

14Church B Procedures Manual, in the files of Church B, p. 3.
15Ibid.
17Ibid.
Illustration 23
Designated Disbursement Responsibility
Centers of Church

<table>
<thead>
<tr>
<th>Responsibility Center</th>
<th>Name of Person in Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Christian Education</strong></td>
<td></td>
</tr>
<tr>
<td>Minister of Education</td>
<td>Name</td>
</tr>
<tr>
<td>Adults</td>
<td>Name</td>
</tr>
<tr>
<td>Extension</td>
<td>Name</td>
</tr>
<tr>
<td>Meridian Adults</td>
<td>Name</td>
</tr>
<tr>
<td>Median Adults</td>
<td>Name</td>
</tr>
<tr>
<td>Young Adults</td>
<td>Name</td>
</tr>
<tr>
<td>Young Married</td>
<td>Name</td>
</tr>
<tr>
<td>Business &amp; Professional</td>
<td></td>
</tr>
<tr>
<td>College and Career</td>
<td>Name</td>
</tr>
<tr>
<td>Sr. High Young People</td>
<td>Name</td>
</tr>
<tr>
<td>Jr. High Young People</td>
<td>Name</td>
</tr>
<tr>
<td>Oral Deaf</td>
<td>Name</td>
</tr>
<tr>
<td>Junior</td>
<td>Name</td>
</tr>
<tr>
<td>Primary</td>
<td>Name</td>
</tr>
<tr>
<td>Special Education</td>
<td>Name</td>
</tr>
<tr>
<td>Beginner</td>
<td>Name</td>
</tr>
<tr>
<td>Nursery</td>
<td>Name</td>
</tr>
<tr>
<td>Cradle Roll</td>
<td>Name</td>
</tr>
<tr>
<td>Vacation Bible School</td>
<td>Name</td>
</tr>
<tr>
<td>Visitation</td>
<td>Name</td>
</tr>
</tbody>
</table>

**Missionary, Benevolent and Denominational**

<table>
<thead>
<tr>
<th>Missons Department</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Womens Missionary Union</td>
<td>Name</td>
</tr>
<tr>
<td>Royal Ambassadors</td>
<td>Name</td>
</tr>
<tr>
<td>Trinity Valley Outreach</td>
<td>Name</td>
</tr>
<tr>
<td>Rio Grande River Ministry</td>
<td>Name</td>
</tr>
<tr>
<td>Cooperative Program</td>
<td>Name</td>
</tr>
<tr>
<td>Dallas Baptist Assoc.</td>
<td>Name</td>
</tr>
<tr>
<td>Calvary Baptist Church</td>
<td>Name</td>
</tr>
<tr>
<td>Geo. Loving Project</td>
<td>Name</td>
</tr>
<tr>
<td>Good Shepherd Chapel</td>
<td>Name</td>
</tr>
<tr>
<td>Lakeside Baptist Church</td>
<td>Name</td>
</tr>
<tr>
<td>Meadow Gardens Chapel</td>
<td>Name</td>
</tr>
<tr>
<td>Silent Friends Chapel</td>
<td>Name</td>
</tr>
<tr>
<td>So. Mesquite Baptist Church</td>
<td>Name</td>
</tr>
<tr>
<td>Truett Memorial Chapel</td>
<td>Name</td>
</tr>
<tr>
<td>Mountain Lake Baptist</td>
<td>Name</td>
</tr>
</tbody>
</table>
### Illustration 23 (Continued)

<table>
<thead>
<tr>
<th>Responsibility Center</th>
<th>Name of Person in Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Christian Leadership</strong></td>
<td></td>
</tr>
<tr>
<td>Pastor</td>
<td>Name</td>
</tr>
<tr>
<td>Asso. Pastor</td>
<td>Name</td>
</tr>
<tr>
<td>Asst. Pastor-pastoral ministry</td>
<td>Name</td>
</tr>
<tr>
<td><strong>Music Ministries</strong></td>
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<tr>
<td>Special Music Programs</td>
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<td>Name</td>
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<td>Name</td>
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<tr>
<td>Nursery - Beginner Wkdy.</td>
<td>Name</td>
</tr>
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</tr>
<tr>
<td>Debt Retirement &amp; Capital Outlay</td>
<td>Name</td>
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</table>

18 Chart was obtained from Business Administrator, Church B, in a personal interview, February 10, 1974.
the CPA firm prepares monthly financial statements.\textsuperscript{19} The two statements prepared in Church A are the Statement of Operations and the Balance Sheet.

\textbf{Computer.--}The processing system used by the CPA firm is a computer based operation. The computer system is designed for a profit seeking enterprise and has been adapted to the church's needs. At the beginning of the church financial year, the budget is given to the CPA firm which inputs the budget into the computer. The computer automatically breaks the budget down by months by dividing by twelve.\textsuperscript{20}

Once a week the CPA firm receives the weekly collection report from the church. The weekly collection report classifies the receipts according to type of receipt. From this report the CPA firm inputs budgeted (undesignated) receipts and designated receipts into the computer.\textsuperscript{21}

As checks are written, disbursements are classified according to budgeted account number, and the account number is written on the check. A duplicate check is sent to the CPA firm as the basis for entering disbursements into the computer.\textsuperscript{22}

So three basic pieces of financial information are entered into the computer—budget data, receipt data, and disbursements data. These three pieces of data form the input for the financial statements.

\textsuperscript{19}Statement by Staff Accountant with local CPA firm in charge of computer processing, in a personal interview, January 28, 1975.

\textsuperscript{20}Ibid.

\textsuperscript{21}Ibid.

\textsuperscript{22}Ibid.
A copy of the July Statement of Operations is shown in Illustration 24. It can be noted that there are several outstanding features of this report. The report includes a logical classification scheme for accounts in column six. The account numbers are included in column five. Current months actual receipts and disbursements are compared with monthly budgeted receipts and disbursements in columns one and three. Budgeted receipts and disbursements are compared on a year to date basis with actual receipts and disbursements in columns seven and nine. Zero balance items are omitted. Percentage of total receipts comparisons are shown on an item-by-item basis, in columns 2, 4, 8 and 10. All special activities of the church are included in the report, such as mission churches, and special activities are identifiable. In addition, it articulates with the balance sheet since the change in fund balance is shown on both statements.

One disadvantage is that no variance is shown. Also it is difficult to read because of the format used.

Essentially, the financial information system of Church B is processed the same as Church A. It is a computer based system utilizing two computer services, however, instead of one. Payroll information is transmitted to a local bank and the bank using a computer prepares the checks for distribution to employees. Checks are not returned to the church for signatures but rather are distributed directly to employees from the bank. An investigation by the church showed that this was less expensive than having any other
Illustration 24

"Dummy" Statement of Operations for Church A
July 31, 1974
(Unaudited)

<table>
<thead>
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<th>CURRENT MONTH</th>
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### CURRENT MONTH

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<th>Col. 4</th>
<th>Col. 5</th>
<th>Col. 6</th>
<th>Col. 7</th>
<th>Col. 8</th>
<th>Col. 9</th>
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<td>%</td>
<td>Acc. #</td>
<td>Description</td>
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<td>%</td>
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<td>%</td>
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6,826.32 09990 End of Period (FBC & DC) 11,437.51

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23 Statement of operations was obtained from Pastor, Church A, in a personal interview, August 22, 1974.
special computer service perform the payroll function. The financial controller performs all payroll functions in Church A.

The second computer service in Church B prepares monthly financial statements based on the information presented by the accounting department. The computer is operated by a local CPA firm. All general ledger account balances are maintained by the computer, and receipts and disbursements information is channeled to the CPA firm for input to the computer similar to Church A.

**Brief Theory of Accounts.** The balance sheet, shown in Illustration 25, is simply a printout of the general ledger by the computer. Both the statement of operations and the balance sheet reflect cash basis accounting. The accounting equation for this system is "assets (A), equal liabilities (L), plus fund balance (F)" or \( A = L + F \). The fund balance account is similar to the total stockholder's equity reported on conventional statements with respect to the normal account balance of credit. A normal balance for an asset is debit and a normal balance for a liability and a fund balance is a credit.

Any cash outlay for normal operations such as for supplies or books would be recorded eventually as a debit to the account "fund balance" and a credit to the account "cash" by the computer. The entry for the payment of cash for a loan, part of which goes to

---

24 Statement by Financial Controller, Church B, loc. cit.
25 Statement by Financial Controller, Church A, loc. cit.
26 Statement by Financial Controller, Church B, loc. cit.
27 Statement by Staff Accountant with local CPA firm, loc. cit.
### Illustration 25

"Dummy" Balance Sheet for Church A

July 31, 1974
(Unaudited)

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<td>Savings--LBA</td>
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<td>Unencumbered</td>
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<td>Memorial Funds Sch</td>
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<td>Total Savings--LBA</td>
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<td>Property &amp; Equipment</td>
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<td>Total Prop &amp; Equip--FBC</td>
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<td>Notes Rec--NIB 10 yr 8/81</td>
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**LIABILITIES & FUND BAL.**

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<td>xxx</td>
</tr>
<tr>
<td><strong>Total Mortgages</strong></td>
<td>02490</td>
<td>xxx</td>
</tr>
<tr>
<td><strong>Designations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>02500</td>
<td>xxx</td>
</tr>
<tr>
<td>Employees Insurance Adv</td>
<td>02550</td>
<td>xxx</td>
</tr>
<tr>
<td>Library Fund</td>
<td>02600</td>
<td>xxx</td>
</tr>
<tr>
<td>Memorial Offerings</td>
<td>02620</td>
<td>xxx</td>
</tr>
<tr>
<td>Special Music</td>
<td>02650</td>
<td>xxx</td>
</tr>
<tr>
<td>Informers</td>
<td>02670</td>
<td>xxx</td>
</tr>
<tr>
<td>Youth Choir Trip</td>
<td>02680</td>
<td>xxx</td>
</tr>
<tr>
<td>Annie Armstrong</td>
<td>02740</td>
<td>xxx</td>
</tr>
<tr>
<td>Hannah Reynolds</td>
<td>02750</td>
<td>xxx</td>
</tr>
<tr>
<td>Georgia Barnette</td>
<td>02760</td>
<td>xxx</td>
</tr>
<tr>
<td>Mission Investors Plan</td>
<td>02780</td>
<td>xxx</td>
</tr>
<tr>
<td>Child Care Special</td>
<td>02830</td>
<td>xxx</td>
</tr>
<tr>
<td>Receipts Activities Bldg</td>
<td>02840</td>
<td>xxx</td>
</tr>
<tr>
<td>Organ</td>
<td>02850</td>
<td>xxx</td>
</tr>
<tr>
<td><strong>Total Designations</strong></td>
<td>02890</td>
<td>xxx</td>
</tr>
</tbody>
</table>

**FUND BALANCE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance</td>
<td>02900</td>
<td>xxx</td>
</tr>
<tr>
<td>End of Per. Chg (FBC &amp; DC)</td>
<td>02970</td>
<td>11,437</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td>02980</td>
<td>xxx</td>
</tr>
</tbody>
</table>

**Total Liabilities & Fund Bal.** xxxxxxx

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28Balance Sheet was obtained from Pastor, Church A, in a personal interview, August 22, 1974.
interest and part of which goes to principal (debt reduction), is to debit the account "Fund Balance" for interest expense, debit the account "Bond Payable" for principal reduction, and credit "Cash".  

It can be noted that the net fund balance change for the year-to-date is reported on the balance sheet in the fund balance section. This figure of $11,437.51 represents an unfavorable year-to-date change in the fund balance. It is composed of an unfavorable beginning of the month year-to-date change in fund balance of $4,611.19 plus an unfavorable July change in fund balance of $6,826.32. No one interviewed of the church staff knew what the meaning of this change was.

Church B also has a computerized general ledger accounting system. A standard double entry bookkeeping system is programmed into the computer. The basic difference between the accounts for a profit directed business and the accounts of the church is that instead of stockholder's equity an account classification is used entitled "fund balance". The fund balance classifications for Church B are (1) investments in properties and equipment (2) construction in progress (3) restricted to specific purposes, (4) funds held for the production of income and (5) unrestricted.

Annual audit. Church B is the only computer based case study church which has an annual audit by an independent CPA firm. The audited

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29 Statement by Staff Accountant with local CPA firm, loc. cit.

30 Statement by Financial Controller, Church B, loc. cit.
report is presented to the auditing committee which is an elected committee in the church. The report is not mailed to individual members of the church.\(^{31}\)

The characteristics of the audited financial statements are discussed below in three parts.

1. **Qualified opinion.**—The opinion is qualified because a material item is not reported at its historical cost but at its appraised value. In all other respects it is a standard short form opinion.

2. **Balance sheet.**—The balance sheet of Church B is presented in an abbreviated format in Illustration 26.

Several items included in the balance sheet deserve further comment. Only one classification of assets is used by Church B. There is no breakdown of current assets and plant and equipment.

One account included in assets is "pledges receivable". Pledges receivable represents the application of accrual basis accounting to the recording of budget receipts. The pledges receivable represents payments made immediately after the close of the year end applicable to prior year pledges.

"Fixed assets" purchased prior to 1958 were reported at appraised values. After 1958 they were recorded at cost. Depreciation is not recorded. "Investments" are administered by trustees.

The fund classifications shown represent a summary classification of the many fund account balances maintained in the records of the church. Fund accounting is used by the church since it best

\(^{31}\)Ibid.
depicts the nature of the assets utilized by the church by indicating the specific purpose for which the funds are to be used.

**Illustration 26**

Balance Sheet

Church B

As of December 31, 1974

<table>
<thead>
<tr>
<th></th>
<th>General Funds</th>
<th>Building Fund</th>
<th>Endowment &amp; Life Income Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td><strong>Less Liabilities</strong></td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td><strong>Fund Balance</strong></td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
</tbody>
</table>

**Analysis of Fund Balance**

- Unrestricted: XXX
- Restricted to Specific purpose: XXX
- Funds held for production of income: XXX
- Investment in properties and equipment: XXX

"General Fund" includes all offerings which can be used for general church purposes, amounts expendable at the discretion of the pastor, funds held pending donor instruction, and investment in properties and equipment. In addition, the "General Fund" category

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32 Balance Sheet was obtained from Business Administrator, Church B, in a personal interview, February 10, 1975.
includes offerings restricted to a specific purpose such as benevolence or Women's Missionary Society other than building fund and endowments.

The "building fund" balance is transferred to the "General Fund" by means of a receivable, payable to other funds on the face of the balance sheet. The building fund represents offerings restricted to building purposes.

The "Endowment and Life Income Funds" are funds held for the production of income. Income from endowment funds is used for church purposes while income from life income funds goes to the applicable beneficiary.

The liabilities of the church are recorded on an accrual basis when incurred at year end.

3. Statement of Revenues, Expenditures and Fund Balance.--This statement is presented in an abbreviated format in Illustration 27.

Supporting schedules for expenditures are provided in the audited report. In certain cases, such as "support activities," only net excess of receipts over expenditures are reported.

Footnotes to the financial statement also include information on investments, long term notes payable, long term lease agreements, and subsequent events.

**Personnel Information System**

The personnel information system of Church A is composed of information on members and information on employees. Church A and Church B are very similar; therefore, Church B is not mentioned unless its system is significantly different.
Illustration 27

Statement of Revenues, Expenditures and Fund Balance\(^{33}\)

Church B

For Year Ended December 31, 1974

<table>
<thead>
<tr>
<th></th>
<th>General Funds</th>
<th>Endowment &amp; Life Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Offerings</td>
<td>XXX</td>
<td>(xxx)</td>
<td>XXX</td>
</tr>
<tr>
<td>Other</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Total</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
</tbody>
</table>

Expenditures for Current Operation

<table>
<thead>
<tr>
<th></th>
<th>General Funds</th>
<th>Endowment &amp; Life Funds</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>Christian Education</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Missionary, benevolent, denomina-tional</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Christian Leadership</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Music Ministries</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Elementary School</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Services to Members</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Recreation</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Administration</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Building Maint.</td>
<td>XX</td>
<td></td>
<td>XXX</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>XX</td>
<td>(xxx)</td>
<td>XXX</td>
</tr>
<tr>
<td>Total</td>
<td>XXX</td>
<td>XXX</td>
<td>XXX</td>
</tr>
</tbody>
</table>

Excess of Revenue over Expenditure

|                                | General Funds | Endowment & Life Funds | Total Funds |
|                                | Unrestricted  | Restricted             |             |
|                                | XXX           | XXX                    | XXX         |

Fund Balance at beginning of year

|                                | General Funds | Endowment & Life Funds | Total Funds |
|                                | Unrestricted  | Restricted             |             |
|                                | XXX           | XXX                    | XXX         |
| Transfers between Funds        | XXX           | (xxx)                  | XXX         |
| Total Fund Balance at end of year | XXX        | XXX                    | XXX         |

\(^{33}\) Statement of Revenues, Expenditures and Fund Balances was obtained from Business Administrator, Church B, in a personal interview, February 10, 1975.
Organization church of Church A. The inhouse staff is composed partially of the persons listed in the organization chart, Illustration 28. The church basically depicts the lines of authority. The pastor is the leader of the church congregation. The church has authority over the pastor since the majority has the rule. So, essentially the pastor and staff are administrators of the wishes of the church. However, as a general rule, the church as a congregation prefers to follow the leadership and recommendations of the pastor.\textsuperscript{34}

Information on members. The membership information system includes the gathering, recording, and reporting of information about members. The information gathered and reported is related to decisions made at various levels of the organization. The objective of the membership information system of this church is to provide information about members and prospective members in such a way as to facilitate decisions made on the basis of membership information.\textsuperscript{35}

The main decision making units within the church are the elected board of deacons, the pastor, minister of education, minister of music, minister of youth, bus director, custodian and church cook.

1. Computer processing of membership data.—The Church A membership information system is maintained in part by Membership Services Incorporated, a management information system company specializing in processing management information for churches. The church forwards data related to church members to MSI and they input

\textsuperscript{34}Statement by Pastor, Church A, in a personal interview, August 22, 1974.

\textsuperscript{35}Ibid.
Church A does not have a formal organization chart. The organization chart above was prepared based on interviews with church employees. Church B does have a detailed organization chart.
the data into their computer. The company then prints certain reports and documents which are mailed to the church. As its name implies, MSI specializes in data related to members.37

MSI provides such services as weekly master membership profile lists, quarterly statements of individual budgeted and actual giving (mailed to members), and many special lists of members (such as members over 60 years of age, or Sunday School members who are not church members). Individual contributions is the only financial data handled by MSI. In addition, MSI provides addressograph and other mailing services to the churches.38

The records secretary of Church A has the primary responsibility of collecting data from the inhouse church information system and recording it on special forms for remittance to MSI. The information she inputs to MSI is primarily on church members and Sunday School members.39

In addition to the non-financial personnel information, she inputs some financial information to MSI as previously mentioned. The records secretary is responsible for input of data on individual membership contribution. The contributions envelopes received from the financial controller are the basis of remitting amounts to MSI. The contributions envelopes are received from the financial controller

38 Statement by Records Secretary, Church A, in a personal interview, August 22, 1974.
39 Ibid.
on Monday of each week after the weekly deposit. The envelopes are then mailed to MSI for processing.

2. **Master membership profile report.**—The weekly Master Membership Profile report (MMP) shown in Illustration 29 is the main report furnished by MSI and represents a unique concept for churches. The MMP is an alphabetical list of all members affiliated with the church. The MMP includes a precise description or profile of special characteristics of a given member.

The member Johnny Absents on page one of the computer printout is described by the computer printout as follows:

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column 2</td>
<td>Address</td>
</tr>
<tr>
<td>Column 3</td>
<td>Identified by family unit number</td>
</tr>
<tr>
<td>Column 3,4</td>
<td>He has a wife named Jane</td>
</tr>
<tr>
<td>Column 3,4</td>
<td>He had three daughters:</td>
</tr>
<tr>
<td></td>
<td>Kathy, age 14</td>
</tr>
<tr>
<td></td>
<td>Cindy, age 9</td>
</tr>
<tr>
<td></td>
<td>Karen, age 6</td>
</tr>
<tr>
<td>Column 3,4</td>
<td>He has a son, Joshua, age 11</td>
</tr>
<tr>
<td>Column 9, 12</td>
<td>He is in the median aged adult (43 years old)</td>
</tr>
<tr>
<td></td>
<td>born 8/11/30</td>
</tr>
<tr>
<td>Column 8</td>
<td>He joined the church in October 1970</td>
</tr>
<tr>
<td>Column 10</td>
<td>He is in men's class No. 1 in adult 4 Sunday School Department</td>
</tr>
<tr>
<td>Column 13</td>
<td>He joined by letter (RC4)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He is a member of the adult choir (CM4)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He is a worker in youth division training union (TU5)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He has served as a young adult teacher (SE2)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He has type &quot;O&quot; blood (BE1)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He works regular days (WH1)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He is now serving as a training union leader in Preschool age 0-5 (TS1)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He will serve as deacon (FD2)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He is a choir member (CM)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He sings bass in the choir (CB1)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He will play the brass for church (CJ2)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He has served as a handball player (DH3)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He will drive a bus for Sunday School (PB2)</td>
</tr>
<tr>
<td>Column 13</td>
<td>He is now serving as a deacon (FD1)</td>
</tr>
<tr>
<td>Column 14</td>
<td>He lives in visitation area (D07)</td>
</tr>
</tbody>
</table>

---

40 Ibid.
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Family Unit</td>
<td></td>
<td>M Status</td>
<td></td>
<td>HD.</td>
<td>S</td>
<td>S</td>
<td>Joined Dept.</td>
<td>Class</td>
<td>Age</td>
<td>Birthday</td>
<td></td>
<td>Personal Profile</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>-------------</td>
<td>---</td>
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</tr>
<tr>
<td>Able, Bill</td>
<td>02593</td>
<td>0010001</td>
<td>M</td>
<td>M</td>
<td>AM</td>
<td>11/73</td>
<td></td>
<td>41</td>
<td>12/31/32</td>
<td>GM4, RC4</td>
<td>005</td>
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<tr>
<td>54000-Home</td>
<td>406 Dale Blvd.</td>
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<td>70501</td>
<td></td>
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</tr>
<tr>
<td>Able, Jane</td>
<td>02594</td>
<td>0010001</td>
<td>F</td>
<td>M</td>
<td>SM</td>
<td>11/73</td>
<td>CD10</td>
<td>Wkr</td>
<td>38</td>
<td>2/1/36</td>
<td>RC4</td>
<td>005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Able, John</td>
<td>02614</td>
<td>0010011</td>
<td>M</td>
<td>S</td>
<td>SM</td>
<td>12/73</td>
<td>CD6A</td>
<td>M01</td>
<td>12</td>
<td>12/15/61</td>
<td>RC5</td>
<td>005</td>
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</tr>
<tr>
<td>Absents, Johnny</td>
<td>00005</td>
<td>0030001</td>
<td>H</td>
<td>M</td>
<td>M</td>
<td>10/70</td>
<td>AD04</td>
<td>M01</td>
<td>43</td>
<td>8/11/30</td>
<td>RC4, CM4</td>
<td>D07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>57332-Home</td>
<td>3253800-Bus</td>
<td>1273 Grand Canyon</td>
<td>Fayette LA</td>
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<td>Absents, Jane</td>
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<td>0030002</td>
<td>F</td>
<td>M</td>
<td>Sm</td>
<td>10/70</td>
<td>Genl Nurs</td>
<td>36</td>
<td>3/1/38</td>
<td>RC4, MM4, D07</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Family</td>
<td>HD.</td>
<td>SS</td>
<td>M</td>
<td>Stat-</td>
<td>Joined</td>
<td>Dept.</td>
<td>Class</td>
<td>Age</td>
<td>Birth-</td>
<td>Personal</td>
<td>Profile</td>
<td>Area</td>
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</tr>
<tr>
<td></td>
<td>Unit</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>day</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absents, Kathy</td>
<td>0007</td>
<td>0030011</td>
<td>F</td>
<td>S</td>
<td>SM</td>
<td>10/70</td>
<td>YD8A</td>
<td>F02</td>
<td>14/12/3/59</td>
<td>RC5, TU6, CM6</td>
<td>D07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absents, Joshua</td>
<td>0008</td>
<td>0030012</td>
<td>M</td>
<td>S</td>
<td>SM</td>
<td></td>
<td>CD6B</td>
<td>MOI</td>
<td>11/4/13/62</td>
<td>TU6, CM6, MM6</td>
<td>D07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absents, Cindy</td>
<td>0009</td>
<td>0030013</td>
<td>F</td>
<td>S</td>
<td>SU</td>
<td></td>
<td>CD4B</td>
<td>PUP</td>
<td>9/4/15/64</td>
<td>TU6, CM6, MM6</td>
<td>D07</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absents, Karen</td>
<td>0010</td>
<td>0030014</td>
<td>F</td>
<td>S</td>
<td>SU</td>
<td></td>
<td>CD1B</td>
<td>PUP</td>
<td>6/11/1/67</td>
<td>CM6</td>
<td>D07</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Adams, Martha</td>
<td>0037502</td>
<td>F</td>
<td>M</td>
<td>AM</td>
<td>7/66</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GM4, RC4</td>
<td>D10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armstrong, W.J.</td>
<td>0004</td>
<td>0020002</td>
<td>H</td>
<td>F</td>
<td>W</td>
<td>SM</td>
<td>12/65</td>
<td>CD2A</td>
<td>WKR</td>
<td>64</td>
<td>10/9/09</td>
<td>RC4, GM4</td>
<td>C05</td>
<td></td>
</tr>
<tr>
<td>(Barbera)</td>
<td>2376340-Home</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6341004-Home</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1333 Double Fork</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fayette LA</td>
<td>70507</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

\(^4\) Master Membership Profile was obtained from Records Secretary, Church A, in a personal interview, August 22, 1974.
At a glance a regular user of the master membership profile list can quickly ascertain an abundance of information about this member.

3. **Other membership data.**—In addition, any data element on a single member can be retrieved independently of other data. For example the computer can retrieve a list of all choir members (CM) who presently sing alto in the choir, or a list of all active deacons (FD1) or a list of men who will serve as deacons (FD2). In addition, it can print address labels for the special lists. 42

Only from a thorough reading of the Broodman System 70 Membership Data Input Card can one fully appreciate the variety of information available on the members of Church A. A copy of the Broodman System 70 Membership Card is shown in Illustration 30.

Side two is filled out by the member on the day he joins, and side one is filled in by the records secretary shortly after the member joins. The card is also filled out on associate members, or members who come but have not joined. 43

**Information on employees.** Like most organizations, churches keep various information on employees. The information in Church A and Church B includes only personal profile data and in some cases no personal profile data was in evidence. A salary schedule is in evidence for some employees showing past increases in salary.

42 Statement by Records Secretary, Church A, loc. cit.
43 Ibid.
**INSTRUCTIONS:**
1. Each member of your family should complete a separate data card.
2. Parents should complete only this side for young children and preschoolers.
3. Print all written entries.
4. Do not write in “For Office Use Only” blocks.
5. Adults and youth complete both sides. The back lists many activities. As your interests and experiences are known, opportunity can be provided for fellowship with others of like interests.
6. “Special Title” is used for mailing: Example: Dr., Rev., Pvt., Lt.

## Broadman System
**MEMBERSHIP DATA CARD**

<table>
<thead>
<tr>
<th>For Office Use Only</th>
<th>Name (Last)</th>
<th>First</th>
<th>Middle Initial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Parent/Guardian’s Name (If Different)**

**Residence Address**
- Street
- City
- State
- Zip Code
- Residence Telephone

**Business Address (Please Print)**
- Firm Name
- Street
- City
- State
- Zip
- Phone

**SUNDAY SCHOOL**
- Dept.
- Class
- Env.

**Other Church Program Organizations**
- Member of Adult Division or Gen’l Officer
- Member of Preschool, Children’s or Youth Division

**Special Title:**
- Other than Mr., Mrs., Miss.

**Education:** Are you a student now?
- Yes
- No

**Occupation:**

**Parent’s Church Membership Status**
- Complete only for persons 17 yrs or younger.

**Church Membership (circle one)**
- Member of This Church
- Christian But Not Church Member
- No Profession of Faith
- Member Other Baptist Church
- Member Other Denomination

**SUNDAY SCHOOL (circle one)**
- Not a Sunday School Member
- Member Other Baptist Church
- Member Other Denomination

**Marital Status (circle one)**
- Single
- Married
- Divorced
- Widowed

**Sex (circle one)**
- Male
- Female

**BIRTH DATE**
- Mo.
- Day
- Yr.

**For Office Use Only**
- Dept.
- Class
- Env. #

**Church Code**
- DJC
- SL

**Charles**

**System**

**Members**

**Membership Data Card**

**Please Print**

**CHURCH MEMBERSHIP (circle one)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>Member of This Church</td>
</tr>
<tr>
<td>01</td>
<td>Christian But Not Church Member</td>
</tr>
<tr>
<td>02</td>
<td>No Profession of Faith</td>
</tr>
<tr>
<td>03</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>04</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**CHURCH MEMBERSHIP**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>Member of This Church</td>
</tr>
<tr>
<td>01</td>
<td>Christian But Not Church Member</td>
</tr>
<tr>
<td>02</td>
<td>No Profession of Faith</td>
</tr>
<tr>
<td>03</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>04</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**Your Family Relationship**
- (circle only one)
  - 01 Husband/Father
  - 02 Wife/Mother
  - 03 1st Child
  - 04 2nd Child
  - 05 3rd Child
  - 06 4th Child

**OCCUPATION:**

**EDUCATION:**

**SUNDAY SCHOOL DEPT.**

**CLASS**

**OTHER CHURCH PROGRAM ORGANIZATIONS**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4A</td>
<td>Training Union</td>
</tr>
<tr>
<td>4B</td>
<td>Mission</td>
</tr>
<tr>
<td>4C</td>
<td>Church Music</td>
</tr>
<tr>
<td>4D</td>
<td>Organizational groups</td>
</tr>
<tr>
<td>4E</td>
<td>Church Women’s or Men’s Union</td>
</tr>
<tr>
<td>4F</td>
<td>Women’s, Men’s, or Youth Division</td>
</tr>
<tr>
<td>4G</td>
<td>Mission Friends</td>
</tr>
</tbody>
</table>

**Other Church Program Organizations**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>Pupil</td>
</tr>
<tr>
<td>05</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>06</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**Parent’s Church Membership Status**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>Pupil</td>
</tr>
<tr>
<td>05</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>06</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**By Letter?**
- RC4

**By Baptism?**
- RC5

**By Statement?**
- RC6

**Member Of This Church**
- Yes

**Member Other Baptist Church**
- Yes

**Member Other Denomination**
- Yes

**Member of No Church**
- Yes

**School**

**Graduated?**
- Yes
- No

**College Major**

**Graduate Study**

**If you are a member of this church, how did you join? Circle one.**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>Pupil</td>
</tr>
<tr>
<td>05</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>06</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**Member Of This Church**
- Yes

**Member Other Baptist Church**
- Yes

**Member Other Denomination**
- Yes

**Member of No Church**
- Yes

**PARENT’S CHURCH MEMBERSHIP STATUS**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>Pupil</td>
</tr>
<tr>
<td>05</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>06</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**Member Of This Church**
- Yes

**Member Other Baptist Church**
- Yes

**Member Other Denomination**
- Yes

**Member of No Church**
- Yes

**If you are a member of this church, how did you join? Circle one.**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>Pupil</td>
</tr>
<tr>
<td>05</td>
<td>Member Other Baptist Church</td>
</tr>
<tr>
<td>06</td>
<td>Member Other Denomination</td>
</tr>
</tbody>
</table>

**By Letter?**
- RC4

**By Baptism?**
- RC5

**By Statement?**
- RC6

**Member Of This Church**
- Yes

**Member Other Baptist Church**
- Yes

**Member Other Denomination**
- Yes

**Member of No Church**
- Yes

**Special Title:**
- Other than Mr., Mrs., Miss.

**Residence Address**
- Street
- City
- State
- Zip Code
- Residence Telephone

**Business Address (Please Print)**
- Firm Name
- Street
- City
- State
- Zip
- Phone

**Special Title:**
- Other than Mr., Mrs., Miss.

**For Office Use Only**
- Dept.
- Class
- Env. #

**Church Code**
- DJC
- SL
Job descriptions are available but have not been updated in many years. Since the church is a growing church some job descriptions have no employee to perform the job description.

One criteria mentioned by the pastor for hiring employees is that they must be members of the church or agree to become members of the church before they would be hired.45

Logistic Information System

The logistic problems of Church A center around people and equipment. People (members and prospects) must be (1) found, (2) visited and (3) transported. Equipment must be (1) identifiable and (2) controllable.

Church A is very interested in outreach (seeking new members).46 The basic problem is finding prospects to be visited. Prospect information is gathered in three ways. When a visitor comes into the church he is requested to fill out a visitor's card. It includes name, address, phone number, religious affiliation and other information. This prospect information is transmitted to the MSI computer by the records secretary using a prospect data card shown in Illustration 31. Prospects are also identified by obtaining lists of new families in the city from sources which supply such lists. The new families are contacted by the deacons and receive an invitation to

45 Statement by Pastor, Church A, loc. cit.
46 Ibid.
join the church. Information is gathered and returned to the records secretary.

Illustration 31
Information Gathered on Prospect
Data Card of Church A

<table>
<thead>
<tr>
<th>Ch. Code</th>
<th>Family Unit Sub</th>
<th>Relationship</th>
<th>Sex</th>
<th>Marital Status</th>
<th>Entry Birth Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME</th>
<th>Last</th>
<th>First</th>
<th>Middle Initial</th>
<th>Church Relationship</th>
<th>Source</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>M Mem of this church</td>
<td>H Staff member</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>P Prof of Faith Only</td>
<td>W Worship Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>U No Prof of Faith</td>
<td>S Sunday School</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>B Mem oth ch our denom</td>
<td>C Both SS &amp; Worship</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ø Mem oth denomination</td>
<td>D Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. &amp; St.</th>
<th>Residence Add.</th>
<th>Bldg. No/Apt</th>
<th>Parent/Guardian's Name if Different</th>
<th>Zip Code</th>
<th>Residence</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Cl</th>
<th>Sch</th>
<th>Bus Min.</th>
<th>Title</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Finally, prospects are identified by city-wide, door-to-door canvass. Central maps are used to show where prospects live. They are revisited and information is gathered and reported to the records secretary.

47 Statement by Records Secretary, Church A, loc. cit.

48 Prospect Data Card obtained from Records Secretary, Church A, in a personal interview, August 22, 1974.

49 Statement by Pastor, Church A, loc. cit.
In addition, the assistant pastor in charge of pastoral care visits members in the hospital and gathers names of prospects in the process. Also members occasionally report names of prospects to visit. The bus director also visits along the bus routes to find prospects.\textsuperscript{50}

Once the prospects are found they must be visited. This is accomplished by requesting from MSI a prospect visitation list. The prospect visitation list includes the following data on prospects:

\begin{itemize}
\item Column 1. Name and address
\item Column 2. Home phone and business phone
\item Column 3. Sunday School Department to which prospect would belong
\item Column 4. Sunday School Class to which prospect would belong
\item Column 5. Visit area of city
\item Column 6, 7, 8. The blank spaces to list when person was visited
\end{itemize}

This prospect visitation list includes the location of the city in which the prospect lives. This allows the deacon in charge of that area to know who is in his area.\textsuperscript{51}

In addition, other lists such as this can be requested from MSI. For example, if a banquet for young people is going to be given, a telephone list can be requested of all young people in the church so they can be called. The list would be a control sheet.

In addition to the prospect visitation list "mini rec" prospect visitation cards are obtained from MSI for the visiting deacon or member to take with him or her. This saves the member having to rewrite data from the prospect visitation list.\textsuperscript{52} The card has the following information on it:

\begin{itemize}
\item \textsuperscript{50}Ibid.
\item \textsuperscript{51}Ibid.
\item \textsuperscript{52}Statement by Records Secretary, Church A, loc. cit.
1. Name and address
2. Phone numbers
3. Department and class
4. Date of birth
5. Religious status

Results of visits are entered on the "mini rec" card and returned to the records secretary for filing in a permanent file.

The next step is transportation. Once a prospect desires to attend Sunday School and a ride is needed, the bus director is notified to determine if a bus can be routed in that direction. If not, a member is notified to pick the person up. Regular bus routes are run just like in the public school systems.

Church A has a large number of movable pieces of equipment. No list of equipment is available, however, nor are central records kept of where the equipment is transferred.

**Utilization of the Information System**

An important element of any information system is the employees and how they utilize the system. Although there is significant variability in number of employees working in the churches the basic role played by personnel of the systems is essentially the same. The personnel utilization of the system by Church A is explained below because it typifies the basic utilization of the system by the employees of the computer based churches.

**Christian Leadership—the pastor.** The pastor in Church A is completely responsible for either delivering the sermon on Sunday morning or paying someone to fill the pulpit. He personally pays the person who delivers the message. The pastor also serves on various committees within the church such as the budget committee. Other than his
leadership role and his committee work the pastor has no repetitive responsibilities with respect to the total information system.\(^{53}\)

The pastor's secretary processes new members' information and maintains a chronological master membership file.\(^{54}\) This file shows whether or not a member's letter\(^{55}\) has been received. She also sends notices to certain current members notifying them of their responsibility of visiting a certain new member. These current members are supposed to return a card stating the results of their visit. She is also responsible for reminding new members of their responsibility for attending Pastor's Training Union.\(^{56}\) She is generally responsible for maintaining records and disseminating information concerning food services.

**Music Ministries--Minister of Music.** The objective of the Minister of Music is "to enlist people who have musical abilities in order that they can become better servants for the Lord."\(^{57}\) The Minister of Music makes decisions about what songs are to be sung in worship service and is choir director for several graded choirs as well as aiding the directors of the youth choirs. He has few responsibilities

\(^{53}\)Statement by Pastor, Church A, loc. cit.

\(^{54}\)Statement by Pastor's Secretary, Church A, in a personal interview, August 22, 1974.

\(^{55}\)Once a person joins a Baptist church, the church prepares a letter for him. The letter is requested by each subsequent Baptist church he joins.

\(^{56}\)Statement by Pastor's Secretary, Church A, loc. cit.

\(^{57}\)Statement by Minister of Music, Church A, in a personal interview, August 22, 1974.
with respect to gathering, recording or reporting information. He is basically a teacher and decision maker.\textsuperscript{58} No formal objectives are stated for this position.

He checks the monthly financial report from the CPA firm to determine the variance between his actual and budget spending. He can request from MSI a list of certain types of choir members or a complete list. For example, if he wanted a list of all choir members who had been absent over 50\% of the time he could get that from MSI. The secretaries of the respective choirs turn in an attendance card which includes enrollment, attendance, number of workers present, and new members.\textsuperscript{59}

The music secretary in Church A is responsible for inputs of data to MSI for the membership of the music program. She also receives money from choir members for special functions such as the annual choir tour. She remits the money to the financial secretary who deposits it. She also is in charge of ordering all music requested by the minister of music. She fills out the standard purchase requisition and remits it to the financial secretary. She prepares the rehearsal schedule for the adult choir for Wednesday night rehearsal and then mails a copy of the rehearsal schedule to absent members. The rehearsal schedule shows what will be sung on Sunday morning and evening. She also maintains the music files

\textsuperscript{58}ibid.

\textsuperscript{59}ibid.
including a music library and keeps an active and inactive list of choir members.60

Christian Education—Minister of Education. The duties of the Minister of Education include both educational and business administration duties. His education duties include promotion of a Bible Education Program for the total church membership. This includes enlisting and training workers, promoting the visitation program and coordinating the calendar of activities for the church. As a business administrator the Minister of Education serves as administrator of the office staff and cooperates with the Properties Committee in supervision of maintenance staff.61

The Minister of Education receives weekly reports on attendance in Sunday School and Training Union. He usually receives the Sunday School report in time to announce attendance in worship service. He receives a monthly comparison of actual spending with budget allowance in the form of the monthly financial report from the CPA firm. In addition he receives from MSI monthly a master membership profile list listing all members with pertinent data about each member. The Minister of Education may request from MSI any lists or types of information related to membership.62

The secretary to the Minister of Education is responsible for assembling and taking to the printer the weekly church newspaper,

60 Statement by Music Secretary, Church A, in a personal interview, August 22, 1974.
61 Statement by Pastor, Church A, loc. cit.
62 Ibid.
The Informer. She orders all supplies and materials for Sunday School and Training Union. She prepares The Announcer and types it for the Wednesday night prayer meeting. This publication is to make certain announcements and disseminate interim information to members on Wednesday night. She prepares the Sunday order of service. She keeps and files several extra copies of these publications. She maintains vacation Bible School files, and picture files. In addition, she is the secretary for Children's Church coordinator and for the assistant pastor. She also receives the quarterly report of individual membership contributions. This is a report of every member and his giving record for the year. She gives the report to the Minister of Education for analysis and decisions about membership giving.

Food services. The head cook is responsible for the preparing of meals for church functions. There is a regular Wednesday night meal and other regular weekly and monthly meals. The menus are made up by the pastor's secretary and sent to the cook. The cook determines what foodstuff is needed and then goes to the food supply store and orders it. No cost analysis is done on meals. There is no formal procedure calendar or central record showing all meals to be prepared. She makes it a point to work 40 hours per week so sometimes if she works at night she takes off early the next day. No timesheet is kept. Timesheets are kept in Church B.

---

63 Statement by Education Secretary, Church A, in a personal interview, August 22, 1974.

64 Statement by Head Cook, Church A, in a personal interview, August 22, 1974.
Maintenance. The custodian of the church is responsible for the routine work of maintaining the plant and facilities. The information system does not channel regular records to him. "I make it my business to know when things are to be and how they are to be done." He does not maintain a list of movable equipment. If chairs are borrowed and he doesn't know the person then he has them sign a release form. He started this procedure on his own.

Church B Personnel Information System

Church B utilizes the services of Membership Services Incorporated to process information on individual members and prospects. Information on employees is limited to the standard personal profile and salary schedule information. Because the personnel information system is a near mirror-image of Church A and the Church A system was discussed in detail, this system needs little additional explanation. Only exceptional type items are mentioned.

Duplicate files. There appears to be duplication of effort on the part of ministers of education in the use of the personnel information system. To say it another way--some ministers keep backup files from which they may gain certain information which is already prepared by MSI. The basic reason for this is the desire to have more information on individuals than is presented in the MSI reports. This seems

65 Statement by Custodian, Church A, in a personal interview, August 22, 1974.
66 Statement by Business Administrator, Church B, loc. cit.
67 Ibid.
logical since the MSI program does not seem geared to a church of this size.

One example cited is that the minister of junior high, for example, needs a complete profile on each junior high person ministered to. Since he knows each individual personally he does not feel he needs the MSI printout to tell him their hobbies or interests. He does feel responsible, however, for maintaining a detailed file on each individual, particularly their religious experience, so that when the person moves to the senior high level he can pass the file to the minister of senior high, thus giving the minister of senior high an insight into the individual's background.68

Summary of activities report. A summary of activities report is prepared on a monthly basis. It includes attendance at certain functions for the month, membership totals for certain functions, number of activities, and financial highlights. An abbreviated copy is shown in Illustration 32.

NON COMPUTER BASED CHURCH INFORMATION SYSTEMS

Two churches, Churches C and D, included in this study which do not have computer based systems are very similar. As such, only research data on one church, Church C, is presented in detail. Only significantly different aspects are presented for Church D.

---

68 Statement by Minister of Junior High, Church B, in a personal interview, February 10, 1975.
Sunday School
Mr. Allen Townsend is recommended to teach the Berean class in Adult 3.

Attendance  December 1  December 8  December 15  December 22  December 29
xxxx    xxxx    xxxx    xxxx    xxxx

Average Attendance  xxxx   Offering  $xxxx

Training Union

Attendance  December 1  December 8  December 15  December 22  December 29
xxxx    xxxx    xxxx    xxxx    xxxx

Average Attendance  xxxx

Additions and Losses

- Total Additions in Dec.  xxx
- Total Removed by Death and Lettered Out  xx
- Total Additions in Dec.  xxx
- Total Removed by Death and Lettered Out  xx

Financial

- Undesignated Offering......$xxxx
- Designated Offering......$xxxx
- Total Tithes & Off........$xxxx

Recreation

- Total Scheduled Activities... xx
- Total Reservations........... xx
- Montly Attendance.............. xxxx
- Average Weekly Attendance.... xxx

Music

- Number of Choirs............ xxx
- Beginners.................... xxx
- Primaries.................... xxx
- Juniors...................... xxx
- Clarion...................... xxx
- Chapel...................... xxx
- Sanctuary.................... xxx
- Ensembles.................... xxx
- Orchestra.................... xx
- Handbells.................... xx
- Total Enrollment............. xxx
- Services and other pro-
- grams......................... xx
- Rehearsals.................... xxx

Summary of Activities Report was obtained from the Financial Controller, Church B, in a personal interview, February 10, 1975.
Church C has three basic information systems—financial, personnel, and logistic information system. All of the systems gather, process, and disseminate information manually.\textsuperscript{70}

As mentioned in the introduction to this chapter, Church C is a large suburban residential church. The town in which it is located has very little business district and is primarily a residential area for those working in a nearby city. The church follows the same basic budget procedures as outlined in the introduction to this chapter. A main difference between Church C and the two previous case studies presented, Churches A and B, is that no computers are used in Church C.

**Financial Information System**

The financial information system of Church C is centered on the budget year. The budget year is similar to the budget year explained in the introduction to this chapter. A proposed budget is shown in Illustration 33. A similar proposed budget is used in all case study churches except Church D. Church D has a description column beside each account in which objectives and goals are set forth by expenditure classification.

The illustrative proposed budget of Church C has two unique features. First, it has two sections—world-wide ministries and local ministries. All accounts are classified as either world wide or local. The second unique feature is that percentages are shown.

\textsuperscript{70}Statement by Pastor, Church C, in a personal interview, May 20, 1974.
Illustration 33

Proposed Ministry Budget of Church C
1974

WORLD-WIDE MINISTRIES
1. Missions
   Cooperative Program $xxxxx (16.49%)
   Missions--Associational xxx
   Missions--Radio and TV xxxxxx
   BSU xxx
   La. Moral & Civic Foundation xxx
   Bus Ministry xxx
   International Language Missions xxx xxxxx 20.12%

LOCAL MINISTRIES
2. Education & Organization
   Sunday School xxx
   Church Training xxx
   Music xxx
   WMU--General xxx
      Baptist Women xxx
      Baptist Young Women xxx
      Acteens-xx; GA's-xx;
      Mission Friends-xx xxx
   Brotherhood--Royal Ambassadors xxx
   Youth and Activities Program xxx xxxxx 5.76%

3. General Promotion & Office Expense
   The Baptist Message xxx
   Office Stationery and Supplies xxx
   Postage xxx
   Laundry and Cleaning xxxxxx
   Offering Envelopes xxxxx
   Church Promotion--General xxx
      Revival xxx
      Supper - net xxx
      Organization Social xxx
      Pastor's Promotion Allowance xxx
   Conventions--Pastor xxx
      Pastor's Assistant xxx
      Minister of Music xxx
      Dir. of Rel. Education xxx
   Pulpit Supply xxx xxxxx 3.31%
Illustration 33 (Continued)

4. Equipment & Maintenance
   - Utilities $xxxxxx
   - Insurance xxxx
   - Janitorial Supplies xxxx
   - Kitchen Supplies xxxx
   - Air Conditioning Maintenance xxxx
   - Bus Operating Expense xxxx
   - Equipment Purchases xxxx 10.85%

5. Personnel
   - Auto Allowances xxxx
   - Utility and Housing Allowances xxxx
   - Employees Retirement xxxx
   - Pastor--Salary and Annuity xxxx
   - Pastor's Ass't.--Salary & Annuity xxxx
   - Minister of Music--Salary & Annuity xxxx
   - Activities Director xxxx
   - Clerical xxxx
   - Hostess xxxx
   - Organist xxxx
   - Building Superintendent xxxx
   - Janitors and Maids xxxx
   - Nursery Help xxxx
   - Hospitalization Insurance xxxx
   - Social Security xxxx 33.56%

6. Debt Retirement
   - Activities Building xxxx
   - Homes--Pastor's Assistant xxxx
   - Caudell Note xxxx 26.40%

<table>
<thead>
<tr>
<th>Total</th>
<th>Per Month</th>
<th>Per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>xxxxx</td>
<td>100.00%</td>
<td>xxx</td>
</tr>
</tbody>
</table>

Further Recommendations:
1. Quarterly offerings in connection with Memorial Supper will be taken for benevolence.
2. 10% of all Budget receipts, above the approved budget total, will go to the Cooperative Program.
3. All monies received beyond the total indicated in No. 2 above shall be reserved in a sinking fund for debt retirement.

Proposed Ministry Budget (Operating Budget) was obtained from Pastor's Secretary, Church C, May 20, 1974.
for major classification categories so that the reader of the proposed budget can determine quickly what percentages of the total budget are being proposed for each category.

In this church, one bookkeeper is responsible for all recording, posting, and check disbursement procedures with respect to the financial information system. The decision making emphasis in the financial information system is on control and not on goal achievement in these churches.

Cash receipts. In Church C, cash is deposited twice a week, on Monday and Thursday.72 The first deposit is on Monday morning and the second is on Thursday morning. The Monday morning deposit is composed of two deposit tickets prepared at different times. One ticket is prepared by the collection committee on Sunday after morning worship. It includes Sunday School collections and plate offerings collected in worship service. At this time the committee prepares the first deposit ticket (called Weekly Financial Report for Sunday, shown in Illustration 34) in duplicate.

This first amount is deposited by the bookkeeper on Monday morning. The bookkeeper prepares a second deposit ticket form in duplicate for the Sunday evening worship service collection and other collections from Thursday to Sunday. Even though the title of the

72 Statement by Bookkeeper, Church C, in a personal interview, May 18, 1974.
# Illustration 34

**Weekly Financial Report for Sunday of Church C73**

**Weekly Financial Report for Sunday**

<table>
<thead>
<tr>
<th>COINS:</th>
<th>LOOSE</th>
<th>WRAPPED</th>
</tr>
</thead>
<tbody>
<tr>
<td>.01</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>.05</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>.10</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>.25</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>.50</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>1.00</td>
<td>$____</td>
<td>$____</td>
</tr>
</tbody>
</table>

**A. QUARTERLY MISSIONARY:**
- Annie Armstrong
- Georgia Barnett
- Christian Ed.
- Lottie Moon

**B. OTHER MISSION GIFTS:**
(Write in name)

**C. GIFTS TO BUDGET ACCOUNTS:**

<table>
<thead>
<tr>
<th>CURRENCY:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>5.00</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>10.00</td>
<td>$____</td>
<td>$____</td>
</tr>
<tr>
<td>Other</td>
<td>$____</td>
<td>$____</td>
</tr>
</tbody>
</table>

**Totals**  

= 

(last page deposit slip)

**Send to Bank:** Adding machine tape of checks, cumulative sub-totals for each page of checks listed.  
**Duplicate of this Sheet**  
**Original Deposit Slip (Only)**  
**To Financial Secretary:** attach to this sheet: proof tape of checks listed, all problem envelopes &/or checks, and envelopes of designations.

**Total Deposit**  

=  

**Weekly Financial Report for Sunday was obtained from Bookkeeper, Church C, in a personal interview, May 18, 1974.**
weekly financial report for Sunday indicates it is for Sunday collection only, it is used as a deposit ticket for all collections. A second deposit is made on Thursday morning for collections from Monday through Wednesday. The same form is used by the bookkeeper and prepared in duplicate. Undeposited money is kept in a safe.

The collection report (Illustration 34) has three sections. The first section is a tally sheet for coins, currency, and checks. The second section on the right side of the page is a classification of receipts as to budget or non-budget, loose offering, or designated. The third section is the instructions section at the lower left corner.

One copy of the deposit report accompanies the bank deposit slip and money when they go to the bank. The second copy is transferred to or kept by the bookkeeper. Based upon this weekly contributions report the bookkeeper makes the cash receipts entries to the cash receipts journal on an accounting machine.

An elected collection committee is responsible for counting cash and preparing the collection reports on Sunday morning. The bookkeeper counts cash and prepares all other deposit reports.

In Church C the cash receipts journal has the columnar headings listed below and is posted periodically (monthly) to the general ledger accounts.

---

74 Statement by Bookkeeper, Church C, loc. cit.
Church D uses essentially the same procedure except that one deposit weekly is made and cash is counted at the bank instead of being brought back to the church.

Cash disbursements. In Church C all cash payments must receive formal approval from the minister of education. Items are ordered by the bookkeeper on the basis of a purchase order prepared by the minister of education. When the vendor's statement is received, the bookkeeper stamps the receipt date on the vendor's statement. Once a week, on Wednesday, the bookkeeper stamps each invoice with a rubber stamp marked as to approval, audit, date paid, check number and account number. She gives these to the minister of education. The invoice is returned to the bookkeeper marked for approval and signed by the minister of education.\(^75\)

The bookkeeper fills in the appropriate information on the rubber stamp information when she writes the check. She sends the check to the vendor and files the invoice in a paid invoice file.\(^76\)

A purchase requisition form is required only for convention expenses and items which have no vendor's invoice as supporting documents. The requisition form includes the following information:

\(^{75}\)Statement by Bookkeeper, Church C, loc. cit.

\(^{76}\)Ibid.
1. Date
2. Person making requisition
3. Items to be requisitioned
4. Company if known
5. Charge to
6. Rubber stamp showing approval, audit, date paid, check number and account number

No entry is made when invoices are received, only when they are paid. The books are held open for 15 days after the close of the year so that bills received in the first 15 days of the new year can be paid from the cash payments journal of the old year.77

The checks written in payment of invoices are entered in the cash payments journal along with the account number of the expense item. The cash payments journal has three columnar headings: check number, account number debit, and cash in bank credit. The cash payments journal is posted monthly to the general ledger.78

General ledger. The general ledger is adjusted and closed at the end of each year by appropriate adjusting and closing entries prepared by the CPA-treasurer. After the closing entries are posted, the yearly financial statements are prepared. The statements are not presented to the general memberships. They are presented to the

77Ibid.
78Ibid., May 19, 1974.
finance committee, the deacons and the pastor. These same statements are prepared every six months even though books are closed only at year end.79

**Accounting reports.** The semiannual financial statements include the following statements:

**Operating Funds**
2. Analysis of changes in fund balances
5. Comparative statement of day school revenues and expenditures for years ended Dec. 31, 1973-74
7. Miscellaneous Funds Comparative balance sheet

The operating fund comparative balance sheet includes the assets, liabilities, and funds balances of all funds of the church which had balances during the year and were designated as operating

---

79Ibid.

80Dates and numbers are used in describing the statement for illustrative purposes only. Repetitive account classifications are omitted for sake of brevity.
funds. The balance sheet appears in summary form in Illustration 35. Notice that plant assets are not accounted for.

Illustration 35

Comparative Balance Sheet of Church C
December 31, 1973, 1974

<table>
<thead>
<tr>
<th></th>
<th>12/31/74</th>
<th>12/31/73</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Savings Accounts</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>U.S. Treasury Bills at cost</td>
<td>xx</td>
<td>xx</td>
<td>(xx)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>50,000</td>
<td>30,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Liabilities and Fund Balances</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Due to Miscellaneous Funds</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Fund Balance--Contingent Fund</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Fund Balance--Retirement Fund</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Fund Balance--Debt Retirement Fund</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Fund Balance--Deacon's Fund</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Fund Balance--Operating Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Funds held for designated purposes</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td>50,000</td>
<td>30,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

The analysis of changes in fund balances (2 above) is a supporting schedule for the increases and decreases in fund balances shown in the comparative balance sheet above. This statement is summarized in Illustration 36.

---

81 Comparative Balance Sheet was obtained from Bookkeeper, Church C, May 18, 1975.
Illustration 36

Analysis of Changes in Fund Balances
of Church C82
For the Year Ended December 31, 1974

<table>
<thead>
<tr>
<th></th>
<th>Contingent Fund</th>
<th>Debit Retirement Fund</th>
<th>Benevolence Fund</th>
<th>Deacon's Fund</th>
<th>Operating Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balances 1/1/74</td>
<td>$xxx</td>
<td>$xxx</td>
<td>$xx</td>
<td>$xx</td>
<td>$0</td>
</tr>
<tr>
<td>Add: Contributions</td>
<td>0</td>
<td>0</td>
<td>xx</td>
<td>xx</td>
<td>0</td>
</tr>
<tr>
<td>Budget Surplus</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25,000</td>
</tr>
<tr>
<td>Transfer from Operating Fund</td>
<td>0</td>
<td>25,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>0</td>
<td>xx</td>
<td>0</td>
<td>xx</td>
<td>25,000</td>
</tr>
<tr>
<td>Deduct: Expenditures</td>
<td>0</td>
<td>0</td>
<td>xx</td>
<td>xx</td>
<td>0</td>
</tr>
<tr>
<td>Bonds &amp; Interest paid</td>
<td>0</td>
<td>xx</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transfer to Debt Retire. Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25,000</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>$0</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>25,000</td>
</tr>
<tr>
<td>Fund Balances 12/31/74</td>
<td>$xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>0</td>
</tr>
</tbody>
</table>

82 Ibid.
The comparative analysis of budget for years ended December 31, 1973 and 1974 includes budget and actual receipts and expenditures for both years with the actual surplus of receipts over expenditures being highlighted as $25,000 as shown in Illustration 37.

Illustration 37

Comparative Analysis of Budget of Church C
For the Years Ended December 31, 1973, 1974

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget contributions</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Activities Director</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>xxx</td>
<td>xxx</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>xxx</td>
</tr>
<tr>
<td>Totals</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Missions</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Education &amp; Organizations</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>General promotion &amp; expense</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Equipment &amp; maintenance</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Personnel</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>120,000</td>
</tr>
<tr>
<td>Debt retirement</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Day school</td>
<td>0</td>
<td>(xxx)</td>
<td>0</td>
<td>xx</td>
</tr>
<tr>
<td>Totals</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td>$0</td>
<td>xxx</td>
<td>0</td>
<td>25,000</td>
</tr>
</tbody>
</table>

This statement articulates with the operating fund column of the statement of the changes in fund balances. The operating fund balance in the statement of changes in funds has an interim balance.

---

83 Ibid.
added of $25,000 which is the budget surplus for the year 1974. This $25,000 was transferred to the debt retirement fund, however, so that the operating fund still ended the year with a zero balance.

The statements are slightly misleading because they indicate that a transfer of $25,000 was made during the year to the debt retirement fund when the transfer could not have been made in the exact amount until after year end. This is known to be true since the cash payments journal is held open 15 days in the new year to pay previous years' bills. Therefore, the exact amount of the reported surplus is not known until all the cash payments journal is closed on January 15.

Also, as a result of holding the cash payments journal open into the following year, the reported cash balance is understated and reported accounts payable are understated as of December 31.

The comparative statement of budget expenditures for the years ended December 31, 1973 and 1974 is an itemized supporting schedule for the statement of comparative analysis of budgets for the same years ended. It simply gives the itemized amounts under each expenditure classification on the statement of comparative analysis of budgets. For example, only the total personnel expense of $120,000 is shown on the Statement of Comparative Analysis of Budgets, whereas the $120,000 would be itemized on the comparative statement of budget expenditures.

A careful analysis shows that the total budget expenditures numbers on the two statements do not agree because there are items included in the Comparative Analysis of Budget statement and not in
the Comparative Analysis of Budget Expenditures statement. In this sense the statements are poorly articulated. The item of difference is an excess of expenditures over receipts for the day school. This is shown on the Comparative Statement of Revenues and Expenditures for the Day School shown in Illustration 38. The $1,000 deficiency highlighted in that report is the difference.

Illustration 38

Comparative Statement of Revenue and Expenditures of Church C

For the Years Ended December 31, 1973, 1974

<table>
<thead>
<tr>
<th></th>
<th>12/31/73</th>
<th>12/31/74</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Food</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Supplies</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Insurance</td>
<td>xx</td>
<td>xx</td>
<td>0</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Excess (Deficiency) or Revenues</td>
<td>$xxxx</td>
<td>$(1000)</td>
<td>$(xxxx)</td>
</tr>
</tbody>
</table>

A separate balance sheet and analysis of changes in fund balance are prepared for miscellaneous (non-operating) funds. The basic format is shown in Illustration 39.

---

84 Ibid.
### Illustration 39

**Miscellaneous Funds**

**Comparative Balance Sheet**

*of Church C85*

**December 31, 1973, 1974**

<table>
<thead>
<tr>
<th></th>
<th>12/31/73</th>
<th>12/31/74</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings Acct. #1</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Savings Acct. #2</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Savings Acct. #3</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Due from Operating Fund</td>
<td>0</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td></td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FUND BALANCES</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapel Fund</td>
<td>$ xxx</td>
<td>$ xxx</td>
<td>$ xxx</td>
</tr>
<tr>
<td>Organ Fund</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Phase II Building Fund</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
</tbody>
</table>

**ANALYSIS OF CHANGES IN FUND BALANCES**

<table>
<thead>
<tr>
<th></th>
<th>Chapel</th>
<th>Organ</th>
<th>Phase II</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, January 1, 1973</td>
<td>$xxxx</td>
<td>$ xxx</td>
<td>$ xxx</td>
<td>$xxxx</td>
</tr>
<tr>
<td>Add: Contributions</td>
<td>xxx</td>
<td>xx</td>
<td>0</td>
<td>xxx</td>
</tr>
<tr>
<td>Interest Earned</td>
<td>xxx</td>
<td>xx</td>
<td>xx</td>
<td>xxx</td>
</tr>
<tr>
<td>Total Additions</td>
<td>$xxxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Balance, December 31, 1973</td>
<td>$xxxx</td>
<td>$ xxx</td>
<td>$ xxx</td>
<td>$xxxx</td>
</tr>
</tbody>
</table>

85 Ibid.
These totals for assets are not included on the balance sheet for the operating fund. Therefore, no overall picture is given for assets or funds.

The Statement of Analysis of Equipment Purchases shown in Illustration 40 has some of the basic elements of a statement of changes in financial position. The top section shows where resources are used and bottom section shows the sources of the resources expended.

### Illustration 40

**Analysis of Equipment Purchases of Church**

For the Year Ended December 31, 1974

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piano</td>
<td>$xxx</td>
</tr>
<tr>
<td>Parking Lot</td>
<td>xxx</td>
</tr>
<tr>
<td>Bus</td>
<td>xxx</td>
</tr>
<tr>
<td>Window Covers</td>
<td>xx</td>
</tr>
<tr>
<td>Heating System</td>
<td>xxx</td>
</tr>
<tr>
<td>Floor Polisher and Vacuum Cleaner</td>
<td>xxxxxx</td>
</tr>
<tr>
<td>Typewriter</td>
<td>xx</td>
</tr>
<tr>
<td>Tables and Rockers</td>
<td>xx</td>
</tr>
<tr>
<td>Sound Systems and microphones</td>
<td>xx</td>
</tr>
<tr>
<td>Record players</td>
<td>xxx</td>
</tr>
<tr>
<td>Check writer</td>
<td>xxx</td>
</tr>
<tr>
<td>Kitchen Equipment</td>
<td>xxx</td>
</tr>
<tr>
<td>Lawn mower</td>
<td>xx</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$xxxxx</td>
</tr>
</tbody>
</table>

Funds Derived From:

<table>
<thead>
<tr>
<th>Source</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Parsonage</td>
<td>$xxxxx</td>
</tr>
<tr>
<td>Designated Contributions</td>
<td>xxx</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>xxxxxx</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$xxxxx</td>
</tr>
</tbody>
</table>

---

86 Ibid.
Monthly financial reports are not prepared at this church. It was in the process of changing its financial information processing system.87

**Individual contributions ledger.** After envelopes are opened by the collection committee and checked for accuracy of face and amount, the cash is deposited at the bank. The prenumbered envelopes are then arranged alphabetically on a weekly basis. Then at the end of the month the four weeks are collated manually into one alphabetical file. These amounts are summarized according to individual contributors and posted to the membership contribution subsidiary ledger card. The cards are kept in a separate file and appear as shown in Illustration 41.88

This card has an original and four copies at the beginning of the year. Weekly contributions are posted horizontally by the bookkeeper using the accounting machine. After the first quarter the top sheet is mailed. The remaining four copies, which have the first quarter's contributions data recorded on them, are returned to the contributions ledger file for further weekly postings. The second quarter the first of the four remaining copies is mailed and the last three are kept on file with the first half year's contributions information, which had been recorded by the same process. The

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87 Statement by Bookkeeper, Church C, loc. cit.
88 Ibid.
### Illustration 41

**Quarterly Membership Contribution Statement**

**of Church C**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Envelope No.</th>
<th>Address:</th>
<th>Pledge to Budget</th>
<th>Year</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Gifts to Budget</th>
<th>Total for Mo.</th>
<th>Total Yr. to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Building Fund and Other Designated Gifts</th>
<th>Total for Month</th>
<th>Total Year To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nov.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This is report of your contribution through our church. Please report any errors promptly.

Codes: LV-Love Gift  OV-overpmt  MV-Missions  RV-Revival  UN-underpmt  OT-Other gifts

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**Quarterly Membership Contributions Statement was obtained from Bookkeeper, Church C, May 19, 1974.**
procedure continues until the fourth quarter statement is mailed to the member and the final copy is kept by the church.\textsuperscript{90}

\textbf{Other cash receipts and disbursements.} The activities director prepares a summary of receipts and expenditures and reports this to the bookkeeper who makes the appropriate adjusting entries. This is done on a semi-annual basis.\textsuperscript{91}

The Day School manager brings all receipts to the bookkeeper for deposit. No formal collection document is prepared. The bookkeeper records the information on deposit tickets and collection reports. The collection report is the supporting document for the cash receipts journal entry.\textsuperscript{92}

The payroll information is maintained by the bookkeeper and is posted to the general ledger bi-weekly. It is similar to the payroll system in a secular business.

\textbf{Brief theory of accounts.} The accounting equation for this church is the same as previous churches presented--assets equal liabilities plus fund balances. One significant account transaction is not accounted for in the statements. Fixed assets are not reported in the financial reports of either non-computer based case study.

\textsuperscript{90}ibid.
\textsuperscript{91}ibid.
\textsuperscript{92}ibid.
Personnel Information System

The personnel information system is described in two sections—information on members and information on employees.

Because of the manual nature of the processing phase of this system and because of the number of people in the system a flow chart approach is used to present the flow of personnel information in the church.

The legend for the flowcharting system used is shown in Illustration 42. Because this represents a first attempt at flowcharting other than a financial system for a church, the legend was developed by the author.

Membership information. As shown in Illustration 43, during various worship services the deacons gather two types of information—information on visitors and information on new members. Each visitor fills out a visitor's card which includes various types of basic personal information on it. This card is given to the pastor's secretary. Each new member fills out a temporary church membership card. This card is also transmitted to the pastor's secretary who records it on a permanent church membership card, which includes the following data:

1. Name__________________________ 6. Birth Date__________
2. Res. Address____________________ 7. Phone No.___________
3. Bus. Address____________________ 8. Phone No.___________
4. Date Joined_______ 9. Manner of joining_______ 10. From_______
5. Removal Date_________ How?_________ Which Church_______

93 Statement by Pastor's Secretary, Church C, in a personal inter-
Illustration 42
Legend of Flowcharting System

-Document
-Original preparation of document
-Temporary file
-Alphabetical file
-Permanent file
-Chronological file
-Transmits document
-Ancillary information
-To another part of system
-Transmits verbal information

-Original preparation of list of information
-Operation performed
-Members collect information outside church walls
-Decision made
-Display
-Document destroyed
-Final transmittal of document or information outside church
-Receives verbal communication

All flowcharts presented in Illustrations 41-45 were prepared by this researcher based on interviews with church members and employees.
Illustration 43
Flowchart of Information Flows of Worship Service, Pastor's Secretary, and Pastor

Flowchart prepared by this researcher on basis of interviews with church members and employees.
The pastor's secretary gives all the visitor's cards to the pastor. He reviews them and decides which ones he would like to visit. The secretary then prepares the pastor's daily prospect list which has three sections. The first section is a list of the names and addresses of visitors taken from the visitor's cards as directed by the pastor. This forms his daily prospect list. He plans to visit as many of the visitors as possible during the week. The visitor's cards are then transmitted to the minister of education. The second section includes a list of the pastor's other duties for the day. The third section is a summary list of the pastor's duties for the remainder of the week. This is taken from the church calendar maintained by the pastor's secretary.

As mentioned previously, the deacons gather information at worship service from another source, the temporary membership card. When the pastor's secretary receives this card from the deacons, she prepares a permanent church membership card which is filed in a permanent church membership file. The permanent church membership file is a file of all members who have ever joined the church.

The temporary church membership card is filed in a current membership file. This file includes only the current membership. When members leave the church their card is removed from this file and destroyed. From this file a weekly list of new members is

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96 Statement by Pastor, Church C, loc. cit.
97 Statement by Pastor's Secretary, Church C, loc. cit.
98 Ibid.
prepared and mailed to the weekly publication, the Baptist Message so the new members will receive the paper.99

The pastor's secretary also creates weekly a list of members in the hospital called the hospital visitation list. It is transmitted to the pastor, the minister of education, or the minister of music on a weekly rotation basis.100

At the end of the week both the list of prospects given to the pastor and the hospital visitation list are destroyed. The pastor also has a weekly staff meeting where he receives verbal reports on progress from each staff member. Exceptional items are emphasized in the reports.101

Annually, the pastor's secretary prepares the uniform church letter presented in Chapter III, one copy of which goes to the association, the state convention, and Southern Baptist Convention. One copy is filed in the church files.102

1. Outreach visitation cards--Minister of Education.--After the minister of education receives the visitation card from the pastor's secretary as shown in Illustration 44 he prepares a green outreach visitation card which contains the information shown below.

99Ibid.
100Ibid.
101Statement by Pastor, Church C, loc. cit.
102Statement by Pastor's Secretary, Church C, loc. cit.
Illustration 44
Flowchart of Information Flows of Minister of Education

103 Flowchart prepared by this researcher on basis of interviews with church members and employees.
Green Outreach Visitation Card Information
of Church C

1. Date __________________
2. Name __________________ 3. Age ________
4. Address __________________________ 5. Zone ________ 6. Phone ________
7. Information to help you in your visit:
   ( ) Unaffiliated Baptist       ( ) Another Faith
   ( ) Has visited FBC            ( ) No church affiliation
   ( ) S.S. member here but not a
      Professing Christian

8. Other Information:

   __________________________________________________________

   Visitor's Report for Pastor

   ( ) Accepted Christ as Savior       ( ) Not at home
   ( ) Appreciated visit but no decision ( ) Unable to locate
   ( ) Not interested                  ( ) Promised to join by
                                      letter

   Additional information for Pastor: (use other side, if necessary)
   NAME OF VISITORS ____________________________    

   PLEASE RETURN THIS REPORT

The minister of education also receives a list of all new people in the city. The list is prepared by a local utility company from new meter deposits. The list is received on a monthly basis. For each family (or individual) listed, a pink outreach visitation card which contains the same information is prepared and marked by geographical zone. It has the same spaces for gathering information as the green card except a "newcomer" category appears on the pink card.

From his files the minister of education prepares blue outreach visitation cards for prospects. The names on these blue cards are prospects who have previously been visited. The cards provide spaces for the same information depicted on the green card and can be used by lay witnesses who have never visited before. This blue outreach visitation card is sent to Tuesday night visitation where lay witnesses pick them up, make the visits and return the cards to the church.

The minister of education prepares a yellow outreach visitation card which includes the information shown below, on members who have been absent for more than a year. The purpose of visiting these people is to rekindle their interest in the church. The yellow card is transmitted to the Tuesday night visitation.

Yellow Cultivation Visitiation Card Information

Date _____________
Name____________________________________Age______________
Address ________________________________Zone____________________Phone_______
Information to help your visit:
( ) Seldom Attends ( ) Enrolled in Sunday School
( ) Family Active ( ) Not enrolled in Sunday School
Other Information

Visitor's Report for Pastor
( ) Appreciated visit ( ) Unable to locate
( ) Lack of interest ( ) Not at home
Additional information for Pastor: (use other side)
NAME OF VISITOR__________________________________________

105 Ibid.
2. **Membership visitation.** — Visitation night at Church C is a regular meeting of staff members and interested church members (lay witnesses) whereby the church attempts to stimulate attendance and to promote their church goals by regular visitation of certain elements of the community. The minister of education has direct organizational responsibility over Tuesday night visitation. As shown in Illustration 45, the minister of education has channeled four types of outreach visitation cards (green, pink, blue, yellow) to the designated meeting place of Tuesday visitation.\(^{106}\)

The various colors of cards are placed on a display table sorted by location areas within the visitation range. A coded map is on display so that any card selected for visitation purposes can be used to find where the person listed on the card lives (according to code and street). The lay witness chooses the type of prospects he wishes to visit that evening from the display of cards. Usually he chooses people in the same zone so as to maximize actual prospect contact time and minimize travel time. The lay witness then visits the prospect and fills out the appropriate information on the outreach visitation card.\(^{107}\)

He then returns the completed outreach visitation card (whatever the color) to the minister of education. When the minister of education receives the green and the pink card (on prospects) he classifies them as "interested" or "not interested". Cards which are

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\(^{106}\) Ibid.

\(^{107}\) Ibid.
Illustration 45
Flowchart of Information Flows of Lay Witness and Staff Members Who Visit

From Minister of Education
- Green outreach visitation card

- Pink outreach visitation card

- Blue outreach visitation card

- Yellow outreach visitation card

Display of cards by location

Choose zone to visit

Map of Zones

Complete appropriate card

Collect Information

Yellow
Blue
Pink
Green

108 Flowchart prepared by this researcher on the basis of interviews with church members and employees.
marked "not interested" are destroyed. The information from the cards marked "interested" is transferred to a permanent prospect card, which is prepared in triplicate. One file is a permanent file and is classified by Sunday School department. The second file is a temporary alphabetical "take out" file from which prospect cards may be taken out and not returned. The third file is an alphabetical master prospect file from which cards may be temporarily taken but must be returned. 109

When the blue and yellow cards are returned to the minister of education he files them into a permanent alphabetical blue and yellow file. This file includes people previously visited who have not returned and people who have been absent long periods of time. 110

3. Sunday School Registration Card--Church Hostess.--As shown in Illustration 46, the hostess is in charge of registering new Sunday school members on Sunday morning. Registration cards are filled out in duplicate. One copy is transferred to the appropriate Sunday school department. The other copy is transferred to the secretary of the minister of education. 111

4. Sunday School Membership File--Education Secretary.--As shown in Illustration 47, when the secretary to the minister of education receives the Sunday school registration card, she files it in a permanent alphabetical Sunday school membership file. In

109 Statement by Minister of Education, Church C, loc. cit.

110 Ibid.

Illustration 46
Flowchart of Information Flows of Hostess and Cook

Flowchart was prepared by this researcher on the basis of interviews with church members and employees.
Illustration 47

Flowchart of Information Flows of Education Secretary and Minister of Music

113 Flowchart was prepared by this researcher on the basis of interviews with church members and employees.
addition, she creates from the Sunday school membership cards a list of persons interested in joining the choir. This list is transferred to the minister of music.\textsuperscript{114}

5. Music Program Information—Minister of Music.---The minister of music regularly receives a list of persons interested in joining the choir from the hostess. He personally visits these people to encourage them to join. He also calls roll at choir practices and regularly visits absentees based on an absentee list. Awards are given to all members who achieve designated attendance levels. Choir awards records are summarized yearly on a permanent choir awards record and filed in a permanent alphabetical file.\textsuperscript{115}

The minister of music is responsible for maintaining a permanent organ tune up card, a music card catalog of the music library, a permanent piano tune up card, inventory lists of church hymnals, and a library of tapes for all services. In addition, he types the weekly order of service (church bulletin) for the printer and writes a weekly column for the church bulletin. Information received and communicated by the minister of music is shown in Illustration 47.

6. Food services information—Cook.---The full time cook receives no written requests for food preparation. When a verbal request is received by her (such as for a sweetheart banquet) she writes the relevant information down on her calendar. She orders the appropriate food from a local grocer on credit and the bill is

\textsuperscript{114}Statement by Education Secretary, Church C, in a personal interview, May 22, 1974.

\textsuperscript{115}Statement by Minister of Music, Church C, in a personal interview, May 21, 1974.
sent to the bookkeeper. No receiving report is prepared. The cook estimates the cost per plate and this charge is allocated to the number of people coming.\textsuperscript{116}

7. Activities information—Activities Director. The activities director is responsible for all activities in the activities building except the meals preparation. He coordinates such activities as basketball, skating, pool, ping pong, and others. He maintains a calendar of activities for the activities building. He maintains no personnel information.\textsuperscript{117}

Employee information. Information on employees is published in the First Baptist Church Employees Handbook. The categories covered in the handbook are as follows:

1. Salaries, wages, and payday
2. Status of employees
3. Performance reviews
4. Accidents
5. Smoking
6. Temporary and part time employees
7. Probationary period
8. Emergency leave
9. Unauthorized days off
10. Hospitalization insurance
11. Fidelity bond
12. Lost and found
13. Library
14. Canvassing and soliciting
15. Loitering
16. Mail
17. Telephone calls
18. Personal conduct
19. Professional organizations
20. Church calendar coordination

\textsuperscript{116}Statement by Church Hostess and Cook Coordinator, Church C, in a personal interview, May 22, 1974.

\textsuperscript{117}Statement by Activities Director, Church C, in a personal interview, May 22, 1974.
22. Information
23. Personal appearance
24. Disciplinary action
25. Insubordination

Each area in the handbook is covered with sufficient detail and clarity to communicate to the employees from the outset his or her job responsibilities.

The only job descriptions available on employees at this church are for old positions. The church has been growing so fast that the job descriptions have not kept pace.

Time sheets are kept by the bookkeeper on hourly employees. A standard time sheet format is used.

Logistic Information System

The logistic information system has been previously explained in part because of its overlap with the personnel information system. One logistic problem already discussed is the problem of choosing homes to be visited by church members. It was noted that a map at the Tuesday evening visitation is used to help select the prospects to be visited. It identifies their location.

Another logistics problem of this church involves plant and equipment. For example, detailed lists of miles traveled by buses, who traveled in them, and how much each traveler paid are kept. This provides a historical record of the movement of members on special and regular trips.

Detailed lists of inventory items are not available in Church C.

\[118^{118}\] Ibid.
SUMMARY

The research material presented in this chapter includes large churches in the Southern Baptist Convention. These churches were chosen as a representation of the population of large Southern Baptist Convention churches.

All of the churches use some form of fund accounting. All of the churches have a general ledger accounting system. Two of the churches have their general ledger accounting data processed by computer. One of the computer based churches uses the cash basis of accounting while the other uses a modified cash basis.

The manually based general ledger systems churches both use the cash basis of accounting. In three of the churches studied one financial secretary has access to cash receipts procedures and to all recording functions.

Three of the churches record fixed assets at cost while another records assets as cost and at market value. No depreciation is recorded in any of the churches and no effort is made to allocate costs to various departments on the basis of space, even though there is general agreement among persons interviewed that there is a need for such allocation.

Books are held open after year end in two churches so that bills can be paid and recorded in the prior year's cash journals. This distorted year end reported figures. On audited financial reports pledges receivable is shown as an asset. The auditors determine this amount by classifying January, 1974 receipts as
receipts from prior year (1974) or receipts of current year (1975). The January receipts identified as prior years' collections are classified as pledges receivable on the audit report. However, none of the churches record either pledges receivable or budgeted expenses in the records. Analyses of variances from budget receipts and expenses is provided in all but one church on a monthly basis and in all churches on a yearly basis. All of the churches use a unified budget approach.

All of the churches prepare yearly statements of receipts, expenditures, and changes in fund balance and balance sheets.

All of the churches have weaknesses in internal controls which can be improved by clearer organization structure and separation of duties in different manners. The most important and generally exhibited weaknesses are related to receipt and recording of cash and the purchase and subsequent control of items for use. No receiving reports are used in any church; therefore, checks are written without knowledge of whether proper items are received.

Reporting of budget for approval in one church includes the "objective expected to be accomplished with funds expended" listed by category. Other churches report budgets for approval with no objectives stated. In all but one church budget reports are of a single statement variety. In the one church, budget responsibility reports are directed monthly to each responsibility (or activity) center director.

Some form of contribution subsidiary ledger is used in all churches studied.
Two churches have their membership data computerized using the Broodman System 70 plan. The personnel and logistics information systems vary depending upon whether a computer is used or not. In the computer based churches the data accumulated on members is more readily available in summary form than for the manually based churches. In neither type churches are membership information reports reported to decision centers within the church as a basis for making a determination of achievement of a specific objective.

In the computer based systems reports are available upon request and are of a large variety. The primary advantage of the computer based systems are that they provide accumulated data in summary form quickly and they provide specific data on individual members in a one line report format. In addition, desirable information is provided by the computer based systems which is not provided by the manual systems.

Neither the computer based nor the manual systems provides a merging of all subsystems—financial, personnel, and logistic—to provide an integrated church information system. Financial information is accumulated on one hand while personnel information is accumulated on the other hand. Since many of the objectives of the church deal with persons, a basic shortcoming seems to emerge—that objectives identified in terms of persons are never related to financial numbers to measure specific costs of achieving specific objectives.

Only one church planned its present information system based on its current needs. The other systems have been handed down for
many years. Only one church has ever hired an outside consultant to help in the analysis of the information system.

The basic data elements gathered in the churches are data on persons and dollars.
CHAPTER V

RECOMMENDATIONS FOR A MODEL CHURCH INFORMATION SYSTEM FOR LARGE CHURCHES WHICH EFFECTIVELY PROVIDES DATA FOR DECISIONS

Chapters II, III, and IV provide a foundation for the recommendations for a model church information system for large Southern Baptist Convention churches. Chapter II developed some principles of church information system theory; Chapter III developed the history of Southern Baptist Convention churches; and Chapter IV developed the current structure of church information systems. The purpose of this chapter is to make recommendations based on the above chapters, for the development, content and control of a church information system for large churches. The recommendations are classified according to the basic principles of church information systems listed and explained in Chapter II—planning, designing, utilizing and controlling. However, general recommendations are made first. Following the recommendations is an analysis of some basic propositions of the study.

GENERAL RECOMMENDATIONS FOR ESTABLISHMENT OF AN INFORMATION SYSTEM WHICH EFFECTIVELY PROVIDES DATA FOR DECISIONS

There are four general recommendations which must be delineated since they pervade all the other recommendations. These relate to the smallest data elements to be included in the system, the degree of integration of the data elements, the processing
of the information and the manner by which the information is to be reported.

**Recommendations of a Data Base for Church Information Systems**

Churches should gather information in the smallest data elements that are needed in the decision system. These basic data elements can be used to build information reports as they become needed by the church. Then these "built up" reports can be used as the basis for summary-type reports. This approach is a building block concept. A single block is used with other blocks to form new larger structures.

The smallest useful data elements of a church can be classified in two categories—dollars and persons. The church just like any business is trying to achieve certain objectives. The church's objectives center around enriching persons' lives. The church is trying to achieve these objectives by using a certain number of paid workers (persons) and a certain number of volunteer workers (persons). In addition they are trying to reach persons in the local and world community.

So the data base of a church information system should be composed of data elements of dollars and data elements of persons. Information on dollars and persons should be gathered, summarized and reported in such a manner as to help achieve the overall objectives of the church.

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1In order to avoid a discussion of the theological objectives of the church, the term "reach persons" is used. The term basically means reach persons for Christ and is used extensively in later discussion.
Recommendation of an "Integrated" Church Information System

An information system for a large church must be an integrated system. It is contrary to the principles of general systems theory to attempt to segregate a system from all other systems as a functional unit. All systems overlap with other systems.

In this same way the three basic information subsystems of a large church are very interrelated. A piece of information needed for the financial information system may also be needed for the personnel information system. If the financial information system is maintained autonomously from the personnel information system, then duplicity of effort results.

With three separately maintained subsystems information common to each of the three subsystems must be entered into the system three separate times. A data element common to each of the three subsystems in a church is the "names" of the members. If a church has 15,000 members then 45,000 names must be input into the separately maintained systems (15,000 each). However, if the systems are integrated only 15,000 names need to be entered, or at least fewer than 45,000 names. So, one main disadvantage of separately maintained subsystems is that they are dysfunctional with respect to information entered into the separate systems.

Another dysfunctional aspect of separately maintained systems is that output, or end result, of the subsystems must be commingled, mixed or integrated. Since the systems are maintained separately the integration must take place after the outputs of the separate systems have been determined. If the systems themselves are integrated and
articulated with each other, then the output of the total system will be integrated informational outputs.

Another disadvantage of the separate subsystems approach is that the interrelationships of the various subsystems may never be discovered and thus integration will be forever lost. Churches have a strong inclination to cling to traditional approaches (separate systems in this case). As the approach is passed down from treasurer to treasurer, the power of tradition increases and it becomes more difficult to make a positive change.

None of the churches studied have integrated systems. In addition only one church has made a conscious effort at identifying the various information systems in use. In light of the advantages of an integrated church information system and the disadvantages of separately maintained subsystems, it is recommended that large churches make a conscious effort at identifying the various information subsystems in use and merge them into an integrated system.

Recommendation of the Application of Computer Technology in Processing Church Information

The most viable solution to the problem of integrating the information subsystems exists in the use of a centralized computer processing unit. The savings in the cost of personnel coupled with the decreasing cost of computer technology make the computer processing unit feasible. Admittedly, there is an economies of scale problem involved which can only be solved by application, trial and error. It can be argued that the size of a computer processing unit large enough to handle the data needs will present unbearable costs. This may be true in terms of a single church possessing its own computer unit.
However, there are other alternatives. Time sharing by churches, for example, would reduce cost. It is feasible that a church management information company could own the computer unit and process data for churches. Another alternative would be time sharing by churches in the same city.

Alternatives other than the computer processing unit are certainly feasible, but based on the repetitiveness of the information processed and the speed needed in receiving output, the computer offers the most viable alternative for processing data for decision making.

**Recommendation of a Pyramid Approach to Reporting**

The recommended general approach to reporting is embodied in the pyramid reporting approach. This is the reporting concept which requires that lower levels receive detailed reports but that higher levels receive summary reports. The higher levels in the organization receive only summary highlight reports. Currently, some churches prepare one detailed report for the whole church.

```
  Highlight
     Information

     Some Detail

  Detailed Reports
```
RECOMMENDATIONS FOR PLANNING A CHURCH INFORMATION SYSTEM THAT EFFECTIVELY PROVIDES DATA FOR DECISIONS

Why has the dysfunctional unintegrated approach resulted? It has resulted because of a general lack of understanding of the basic postulates underlying church information systems theory (Chapter II) and because of the violation of the first basic principle of church information systems theory—the planning principle. How can this lack of understanding of information systems and lack of planning be overcome? It can to a large degree be overcome by establishing a Search Committee, a committee on improvement of information systems, by establishing clear cut objectives, by establishing a committee on premising, and by determining and analyzing alternative courses of action.

Recommendation of Establishing a Search Committee

No church information system should ever be developed without a formal understanding and delineation of the basic postulates underlying church information systems theory. In order for a church to come to an understanding of the basic postulates it is first necessary for the church to become aware of the opportunity for improving the church information system. It is recommended that a permanent Search Committee be formed to regularly seek opportunity for improvement in all phases of church operation. Responsibility should be fixed for seeking opportunities to improve the system. A conscious effort made at improvement and fixing responsibility in a single individual is an important first step. The individual should be elected by the church body as chairman of the "Search Committee". This committee
should be a standing committee and should be charged with the following responsibility:

"To seek out and make recommendations of opportunities for improving the ability of the church to achieve its objectives more effectively and efficiently."

Specific areas should be listed on which the committee should perform a yearly review and make yearly recommendations. One of the areas listed should be church information systems. None of the churches in the case study had such a committee.

A comprehensive yearly review of the information system should be made by the committee. It should continually seek opportunities for improvement.

**Recommendation of Establishing a Temporary Committee on Improvement of Information Systems**

Once it is determined by the Search Committee that significant opportunity for improvement of the information system exists, a special temporary committee should be formed to supervise the planning and development of the church information system. An appropriate title for the committee is "Temporary Committee on Improvement of Information Systems" and it should have a chairman elected by the church body. The Temporary Committee on Improvement of Information Systems should be charged with the following responsibility:

"To develop and direct the development of an information system which is based on the objectives of the church, is keyed to decision making, is efficient, and is futuristic in scope."
Recommendation of Stated Objective
of Church Information Systems

Based upon the postulates listed in Chapter II the Temporary
Improvements Committee should establish the objective of the church
information system. The objective of a church information system
stated on page 44 in Chapter II was reinforced by interviews in case
studies in Chapter IV:

"The objective of a church information system is
to provide relevant, timely, dependable, economical
information to the decision making units within the
church to help the church achieve its overall mission(s)."

This objective should be stated in writing in the booklet of committee
responsibilities and should be clearly communicated orally and in
writing to every member of the organization especially to full time
staff members and to the members of the Search Committee and
Temporary Committee on Improvement of Information Systems. Meetings
should be held with the various staff and committee members to
refine the objective of the information system.

Recommendation of the Establishment
of a Committee on Premising

After the objective is stated and clearly communicated by the
Temporary Committee, then the Temporary Committee should contact the
"Committee on Premising" to ascertain the basic premises upon which
the church plans are founded. The Committee on Premising should be a
standing committee composed of a chairman and members. The responsi-
bility of the Committee on Premising should be as follows:

"To gather the facts and make assumptions about
the future upon which the plans of the church should
be founded."
Such an assumption as "We expect to grow at 10% per year in terms of membership for the next 5 years," for example, would be a very important premise to consider in planning a church information system. In addition to the written premises received from the Committee on Premising, the Temporary Committee on Improvement of Information Systems will need to develop premises with respect to the specific area of information systems. For example, premise with respect to technology in the processing of information would need to be developed.

Whatever premises are developed, they should be classified as controllable and uncontrollable, placed in writing, and clearly communicated to all persons involved in development of the new information system. Coordination of activities cannot be achieved unless basic agreement is reached on premises. None of the churches has a premising committee and only two of them have committees, other than a premise committee, which considers premises. Even then nothing is put in writing.

Recommendation of Determination and Analyses of Alternative Courses of Action

The Improvements Committee should next generate alternative courses of action for achieving the objective set forth for the information system based on the premises. Alternative courses of action might include deciding between a system which requires that information be manually processed and a system which requires that information be processed by computer. Advantages and disadvantages should be listed and weighed at this point and one alternative selected.

It is important to note that some selections among alternatives will not be made until well into the designing of the system itself.
Nevertheless, alternative courses of action should be delineated early. Derivative plans should be made and followed up on. Ad hoc committees may be formed to carry out derivative plans. An important thing to do at this point is to prepare a timetable for achievement of the planned system. Only one church studied has such a timetable.

**RECOMMENDATIONS FOR DESIGNING A CHURCH INFORMATION SYSTEM THAT EFFECTIVELY PROVIDES DATA FOR DECISIONS**

With the general recommendations for establishing a church information system in mind, and having made plans to have such a system, the next step of the Improvements Committee should be to begin the design of the system itself. The system must be properly designed. It is assumed for purpose of discussion that the Improvements Committee has sufficient expertise and that it can in fact design the system competently. However, if the committee lacks expertise it should at least impress upon the church membership the importance of a good system and recommend the hiring of a systems designer.

To design a church information system involves establishing objectives, identifying basic decision centers of the church, categorizing and aggregating decisions according to decision centers, and classifying the total church information system into subsystems for purposes of design.

**Recommendation of Establishment of Objectives of Church in Writing**

The first step in the actual designing of the system is to have the Improvement Committee to establish the objectives of the church in writing and have the objectives approved by the membership. No such
procedure was followed by any of the case study churches. The objectives of the case study churches expressed by various pastors and associate pastors were quite similar. The objectives expressed by the pastors and recommended are stated below.

1. To reach people through an active local outreach program
2. To reach people through world missions
3. To provide an atmosphere of worship and Christian fellowship in various programs so the local community can have opportunity to accept Christ
4. To provide an atmosphere of worship and Christian fellowship for the present members
5. To provide an atmosphere and to aid in helping present members minister to each other
6. Help members grow and mature in specific areas (Bible study, recreation, witnessing)
7. To serve as a training ground for young career religious workers
8. To use church funds effectively and efficiently in achieving above objectives.

Recommendation of Identifying the Basic Decision Centers of the Church

A second step in the actual designing of the system is to have the Improvements Committee set about identifying the decisions made and the decision centers in the church and establishing the objectives of each decision making unit within the church. The basic decision centers in the churches studied were as follows:

1. The voting church body - which is evidenced by many elected committees who make recommendations to the church body for vote.
   --Delegation of authority was considerable to the decision units 2-6.
2. Christian leadership - which includes pastors and associate pastors who are, in general, top management of the church
3. Christian education - which includes the ministers of education, youth, and recreation
4. Christian Missions - which is either under a committee of volunteer workers or an appointed staff member
5. Business administration - which is administered by a full time or part time church business administrator
6. Special support activities (printing, schools).
The degree of delegation of authority varies between churches. For example, some churches delegate all leadership authority to the pastor while others have very active deacon decision making units. Regardless of who actually makes the decision all decisions ultimately reflect the wishes of church body and all discussion hereafter is discussed in terms of the actual decisions made rather than which decision center makes the decision.

**Recommendation of Categorizing and Aggregating Decisions According to Decisions Centers**

Once the decision centers are identified the next step in designing the system is to identify the decisions made at each particular decision center. Since different churches have different decision centers and for the sake of expediency, the decisions are discussed below according to the objective to which the decision relates.

**Local outreach program.** The local outreach program, or visitation program, has a basic objective of reaching people for Christ. Reaching people can be accomplished in different categories—professions of faith, joining the church, or rededication of life. People who make the above decisions should be accounted for by a church membership card filled out when the decision is made. Efforts should be made to visit the people and to invite them to participate in the various church programs.

The outreach program should be under the directorship of the minister of education. The minister of education should have a number of assistant ministers of education who are under his authority and who
perform certain duties with respect to the outreach program. The
assistant ministers of education should form responsibility centers by
age groups as is done in Church B.

The decisions made by the minister of education with respect to
local outreach programs are as follows:

1. What persons to visit?
2. What persons to revisit?
3. Who to send visiting?
4. What information to give while visiting?
5. What information to receive while visiting?
6. When to send them visiting?
7. Where to send them visiting?
8. A general decision made is which members to choose to
   administer the various programs.

This last item (8) is of particular importance since it is quite often
that the minister of education must fill positions from the general
membership for teaching and coaching positions. In addition, he must
replace absent teachers at the last minute, so often the information
is needed rapidly.

Effectiveness. The minister of education in a large church is
basically a manager. He is directing the activities of others. In
particular he should be trained in the basic managerial tools needed to
manage and he should receive training in the reading of reports. This
manager must determine how effective his subordinates are in achieving
their basic job objectives (once the job objectives are stated). It
is recommended here that specific job objectives be stated in writing
at the time of budget approval. As the year progresses job
effectiveness in light of job objectives can be determined. In addition,
the minister of education must evaluate effectiveness on a regular and
recurring basis. Subordinates in this case include not only assistant
ministers of education but volunteer members of the church who perform duties such as visiting.

Pertinent data to aid the minister of education in evaluating effectiveness of the subordinates is not provided in the case study. Effectiveness information should be gathered around the following questions:

1. Who is the most effective visitor?
2. What type of visit is he most effective in making?
3. What is the total number of people reached?
4. What is the total cost of the visitation program?
5. What is the number of people reached in each age category?
6. What is the number visited in each age category?

Ratios. The minister of education should receive from the information system monthly the number of people reached in each age category. Each age category forms a responsibility center under the direction of an assistant minister of education. The report should show the number of visits made by each responsibility center and the number of people reached by each responsibility center. In addition, the costs incurred by each responsibility center should be shown. In addition to the absolute numbers shown, the following ratios should be shown.

1. \[
\text{Cost per person visit} = \frac{(\text{unit cost per visit}) \times \text{persons visited}}{\text{number of persons reached}} = \frac{\text{reached}}{\text{number of persons reached}}$
\]

2. \[
\text{Visits per person} = \frac{\text{number of persons visited}}{\text{number of persons reached}} = 10 \text{ visits}
\]

The first ratio indicates the level of efficiency for the month and the second ratio indicates the level of effectiveness for the month for a given responsibility center. Each cost of the church must be analyzed and allocated to visitation where applicable. For example,
depreciation charges on plant and equipment should be allocated to visitation on a percentage basis. If half of the fleet of cars owned by the church are used for visitation then half of the depreciation should be allocated to the responsibility centers.

In addition, the person who makes the most contacts during the month should be recognized. Also the person with the highest effectiveness ratio should be recognized. Eligibility requirements must of course be met on the effectiveness ratio. For example, a minimum number of visits must be made to be eligible.

World missions. The pastors interviewed stated that a second objective of the church is to reach people for Christ through world missions. Missionary activity as discussed here refers to both the starting of small mission churches in neighboring cities and states as well as contributing to the foreign mission program of the Southern Baptist Convention.

The administration of world missions activity should be the duty of a minister of world missions. This administrative activity should be designated as responsibility center and information gathered accordingly.

The decisions made under this objective include the following:

1. Who to give to?
2. When to give?
3. Who to send?
4. How to allocate mission funds?
5. How much to give?
6. How to give?
7. What information should be gathered on persons reached?

Mission funds should be allocated between individual local missions and contributions to Southern Baptist Convention mission work based upon return on funds contributed. If more persons are reached
per dollar through individual missions than through Southern Baptist 
Convention mission work then funds should be allocated accordingly.

Effectiveness. Information should be gathered on missions so that an 
evaluation can be made of the efficiency and effectiveness of the 
minister of missions or of the program itself. Information should be 
gathered around the following questions:

1. How many people were reached by the mission activities?
2. How much did the church give to reach these people?
3. How many were reached and how much expended in each 
of the two types of mission work--individual local 
missions and Southern Baptist Convention missions?
4. What fraction of total giving to world missions was the 
church's giving?

Ratios. The appropriate reports which arise from this information 
include yearly reports of persons reached per dollar contributed by 
type of mission work. Appropriate ratios to be included on this 
report are as follows:

1. People reached 
   per dollar contributed = \( \frac{\text{People reached by missions}}{\text{Total dollars contributed}} \)
   to individual mission churches

2. People reached per 
   dollar contributed = \( \frac{\text{People reached}}{\text{Church contributions by SBC}} \) \( \times \) \( \frac{\text{Church contributions}}{\text{Total contributions}} \)
   to SBC mission work

In addition, the number reached should be tallied and reported 
monthly by the previously mentioned dichotomy and compared with 
previous months' totals.

Local community. A third objective stated by the pastors was "to 
provide an atmosphere of worship and Christian fellowship in various 
programs (Sunday school, training union, worship service) so the local 
community (as opposed to world missions) would have an opportunity
to accept Christ." The local community refers to people within the vicinity of the church who are not members of the church. The basic question here is difficult to pinpoint. It, at first glance, seems to be impossible to gather relevant information on this objective. It is in fact quite simple. If a member of the local community is reached and he begins worshipping at the church he will continue only so long as the church offers some positive benefit in the form of various programs of the church. If he stops coming, he stops for a reason.

The better the church programs meet the needs of the local community then the higher will be the percentage of people reached in the local community who continue to stay to the total people reached in the community. This gives rise to a matriculation ratio with respect to local community church membership turnover. The ratio is shown below:

\[
\text{matriculation ratio} = \frac{\text{Number of people from the local community reached and who are continuing to come to programs}}{\text{Total number of people from the local community who have come one or more times to programs}}
\]

The trend in this ratio shows the ability of the church to retain a member once the member attends. The figures must be adjusted from total membership data. For example, members who move to another city and thus change membership should not be included in the calculation of the ratio. This information should be reported to the board of deacons for comparison with other churches.

Advertising. Advertising is something all large churches do in some form or another. Media advertising (as opposed to visitation) is practiced by all the churches in the case study. The churches from time
to time advertise various programs of the church using various forms of advertising such as radio, television, and newspaper.

Responsibility for advertising should be vested in a single individual. The basic questions which must be answered with respect to advertising are as follows:

1. How much advertising should we do?
2. How many people respond to advertising?
3. How many people are reached due to an initial response to advertising?
4. How much money is spent on advertising?
5. How much should be spent on advertising?
6. Which programs should we advertise?
7. What kind of advertising should we do?

The effectiveness of the advertising program can be determined on the basis of the ratio of dollars spent to number of responses.

\[
\text{Advertising dollars} = \frac{\text{dollars of advertising}}{\text{expense in area}} = \frac{\text{number of responding in area}}{\text{spent per response}}
\]

or

\[
\text{Advertising dollars} = \frac{\text{dollars spent on advertising}}{\text{number reached in area}} = \frac{\text{spent per person}}{\text{reached}}
\]

The observance of the trend increases and decreases may give rise to management action in allocation of funds to advertising or allocation to different programs.

Atmosphere. Two other objectives of the church which were determined from the case studies are very similar and will be discussed jointly. They are as follows:

"to provide an atmosphere of worship and Christian fellowship for the present church membership,"

"to provide an atmosphere and to aid in helping members minister to each other."
There are four basic ministries within all large churches which attempt to achieve the above objectives. Those basic ministries are Christian leadership (sermons and worship), Christian education, music ministries, and recreation. There are various general indicators which show the effectiveness of achieving these objectives such as growth rates in worship service, Sunday school, or choir.

It is difficult to associate growth rates with atmosphere of the church. The only true indication of this is the opinions of the church members who use the various ministries of the church.

The only way to measure in a scalar way such a thing as atmosphere and fellowship is by asking the members to rate the atmosphere and fellowship in the church. This can be accomplished by having members rate the church on a ten point scale from pitiful on the lower scale to perfect on the upper scale. An effectiveness scale of one to ten should be constructed for the four areas of atmosphere and fellowship listed above, and administered in the church each year.

Example: Atmosphere and fellowship provided by Christian leadership.

<table>
<thead>
<tr>
<th>Category - Christian Leadership</th>
<th>Pitiful</th>
<th>Perfect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Pastor's sermon</td>
<td>1 2 3 4 5 6 7 8 9 10 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. Pastoral guidance</td>
<td>1 2 3 4 5 6 7 8 9 10 8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The level of the utils of satisfaction each year can be measured by summing the items circled in a specific category. If the score is 80 for music ministry then the score should be compared with the costs of the music ministry. This forms a ratio of efficiency.

Ratio of efficiency = $/utils
A similar rating scale could be constructed for Christian education ministry, music ministry, and recreation ministry.

Effectively and efficiently - training. The final two objectives determined from the case study have previously been discussed. One objective, "to use church funds effectively and efficiently in achieving objectives," (number eight on page 213) has been discussed in previous objectives by showing ratios which show efficiency in use of funds.

Objective six on page 213 states "to help members grow and mature in specific areas (Bible study, recreation, witnessing)." Pastoral counseling achieves this. Before the pastor counsels a member he needs to review records showing the past and present participation and growth of the member. He needs to review the members' giving records as well as attendance records and information on spiritual growth. The pastor needs to know if counseling is needed. The previous recommendations for a church information system fulfill this data requirement. The data base includes data elements of people. A person's activities can be analyzed by the computer and a person's activity profile can be reported to the pastor.

Recommendation of Classifying the Total Church Information into Three Subsystems for Purposes of Design--Financial, Personnel, and Logistic Information Systems

The basic decisions which have been discussed under a delineation of objectives determined from the case studies must now serve as the basis for recommendations of an integrated financial, personnel, and logistic information system. Because of the
interrelatedness of the systems it is impossible to discuss separately one system without mentioning the other systems. So, even though the systems are discussed under three separate sections, mention is made of all subsystems in each section.

Although the financial and personnel information form the core of church information systems, the logistic information system is important in at least one phase of church life—visitation. Data elements from all systems form the total system.

RECOMMENDATIONS FOR UTILIZING AND CONTROLLING A CHURCH INFORMATION SYSTEM THAT EFFECTIVELY PROVIDES DATA FOR DECISIONS

The three basic systems of information—financial, personnel, and logistic—must provide quality information to the decision makers. In order for the decision maker to utilize the output of the system the output must be understandable and present a fair picture of the reality it represents. In order for the output to be fair the controls must be implemented to assure a degree of fairness. Utilization and control are recommended below according to type of system.

Recommendations for a Financial Information Subsystem

The financial information system includes those processes aimed at identifying, classifying, aggregating and reporting financial information.
Responsibility for financial information subsystem. The financial information system's operation and control must be primarily the responsibility of the church business administrator and, secondly, of the chief accountant. They should be charged with the responsibility of maintaining the input, processing, and output of the system.

Single budget year for large churches. The budget years of the case study churches varied with respect to timing. Some churches used the calendar year and others used other than the calendar year. It is recommended that all large churches in the Southern Baptist Convention use the same fiscal year. Using the same fiscal year will aid considerably in comparability of statistics between churches and in transferring information on church management.

The preparation of the operating budget year should begin two years before the beginning of the budget year. The Long Range Planning Committee should incorporate a prospective three year projection of operating budget numbers. This projection should be based on the premises made by the Committee on Premising.

The final budget for a given year should be prepared by the budget committee six months before the beginning of the budget year. The budget committee should revise the budget as the preceding year comes to a close based upon the most recent information. The calendar of activities for fund raising shown in Illustration 48 suggests an excellent format for preparation and dissemination of activities related to this important document for a church using the calendar year.
## Illustration 48

**Calendar of Fund Raising Activities**

<table>
<thead>
<tr>
<th>Stewardship Dates - 1974</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First week in September</strong></td>
</tr>
<tr>
<td><strong>Second week in September</strong></td>
</tr>
<tr>
<td><strong>October 6</strong></td>
</tr>
<tr>
<td><strong>October 8</strong></td>
</tr>
<tr>
<td><strong>October 20</strong></td>
</tr>
<tr>
<td><strong>October 23</strong></td>
</tr>
<tr>
<td><strong>October 27</strong></td>
</tr>
<tr>
<td><strong>November 3</strong></td>
</tr>
<tr>
<td><strong>November 10</strong></td>
</tr>
<tr>
<td><strong>November 13</strong></td>
</tr>
<tr>
<td><strong>November 17</strong></td>
</tr>
<tr>
<td><strong>November 20</strong></td>
</tr>
<tr>
<td><strong>November 24</strong></td>
</tr>
</tbody>
</table>
Unified budget. The budget should be a unified budget as opposed to a duplex budget. The budget should be for the total operations of the church. Separate budgets for each activity of the church is not recommended as a viable alternative. A unified budget is a single budget for the whole church approved one time. In a separate budget approach budgets are voted on and approved separately.

Bottom-up budget preparation is recommended. The budget committee should consult extensively with lower levels of management of the church and seek their recommendations for budget. A formal report should be obtained from each department head showing monies needed and objectives he expects to attain with those monies. In all cases the budget committee should have authority on the final recommendation of the budget to the church for vote. Any department head who disagrees with the budget committee's decision can bring up the point in discussion before the general membership at the time of the vote.

The approved objectives and goals of the department heads will serve as a basis for job achievement at the end of each year. Objectives and goals should form a written part of the budget.

The budget form recommended to the church for approval should be classified by activity and not by nature. Percentages should be shown to indicate the percentages that a particular activity is of the whole. Last year's percentage should be compared to current recommended percentage. Changes in percentages should be explained in a "description of objectives and goals columns." This column should describe what goals are expected to be achieved and why it is recommended that funds be shifted (when percentages change from one
year to the next then it is a clear indication of shift in spending).
The format should be as shown in Illustration 49.

**Illustration 49**

Hypothetical Baptist Church
Proposed Budget
1975 Budget Year

<table>
<thead>
<tr>
<th>Activity--expense</th>
<th>Last Year's Percentage</th>
<th>Amount</th>
<th>This Year's Percentage</th>
<th>Objectives and goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Acct. #)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christian leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Acc. #) Salary</td>
<td>8.5%</td>
<td>$xxx</td>
<td>9%</td>
<td>Expansion of Pastoral Staff</td>
</tr>
<tr>
<td>(Acct. #) Travel</td>
<td>1%</td>
<td>$xx</td>
<td>.8%</td>
<td>Last year's travel included non-recurring trips to Korea by the Pastor and Min. of Music</td>
</tr>
</tbody>
</table>

This budget should be presented to the general membership several weeks in advance of voting to allow for analysis. Once the final budget is approved, pledged, and the new year is begun, the budget data should be fed into the computer. The computer should be programmed to compute the monthly budget by dividing by 12 months. The computer should not be programmed to calculate monthly budget allocations based upon past contribution patterns. The contributions pattern bears no relationship to spending patterns. If a clear spending pattern can be established then the spending pattern may be used to determine monthly allocations.
Quarterly Membership Pledge Statements. Pledges by members should be entered into the computer based upon pledge cards. This provides the basis for quarterly pledge statements mailed to members. The quarterly statements should provide the member a clear indication of his contributions pattern compared against his pledge to the church. The quarterly report to members should provide a format as indicated below:

1. Name and account number
2. Pledge for year
3. Actual giving for year to date
4. Pledge for year to date (based on twelfths)
5. Monthly giving distribution

One approach to reporting information in the 19th century was to report the names publicly of all those contributing. In addition agents were commissioned to collect the delinquent pledges. It is recommended that a printout of persons delinquent by substantial amounts be reported to deacons for followup visitation. Deacons will report reason for delinquency in a reason column. This would be a confidential report.

Church Financial Reporting.

1. Monthly budget responsibility report.--The budget responsibility report should be printed monthly by the computer. The report should be retyped in understandable and easy to read form. An example report is shown in Illustration 50. The report should have a comparison of budgeted revenues and expenses with actual revenues and expenses. In addition, it is recommended that a column be included showing variances from the budget data on an item by item basis.
Illustration 50

Hypothetical Baptist Church
Budget Responsibility Report
Comparison of Actual Revenues and Expenditures
with Budget by Activity
June 1975

<table>
<thead>
<tr>
<th>Year to Date</th>
<th>General Operating Fund</th>
<th>Current Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Budget Actual % (Under)</td>
<td>Description of Items</td>
<td>Actual Last yr. Budget Actual % (Under)</td>
</tr>
</tbody>
</table>

**Receipts:**

Receipts from
tithes & offerings
Regular
Designated
Building #2
maintenance
Missions
Recreation
Other
Allocated
Building fund
Other
Total tithes and offerings

Other Revenues:
Investment income
Gains on sale (loss)
Interest
Dividends
Rental income
Other receipts
Total

**Expenditures:**

Christian Leadership
Salaries
Operating
Educational
Communication
<table>
<thead>
<tr>
<th>Year to Date</th>
<th>General Operating Fund</th>
<th>Current Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Budget Actual</td>
<td>% (Under)</td>
<td>Description of Items</td>
</tr>
<tr>
<td>Employees' benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christian Education Salaries Operating Educational Communication Employees' benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlays</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missionary Salaries Operating Educational Communication Employees' benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music Salaries Operating Educational Communication Employees' benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus. Admin. Salaries Operating Educational Communication Employees' benefits</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Illustration 50 (Continued)

<table>
<thead>
<tr>
<th>Description of Items</th>
<th>Actual</th>
<th>Over Budget Actual % (Under)</th>
<th>Last yr. Budget Actual % (Under)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Plant</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees' benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(printing shop, school...)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees' benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
There should be a column for actual monthly spending from the preceding year for the month of the report. If the report is for September, 1974, then actual spending for September, 1973, should be shown.

Budgeted and actual year to date numbers should be reported along with variances.

The budget responsibility report should delineate receipts by nature of receipt (tithes and offerings, other) and expenditures by activity (Christian education, Christian leadership...) and by nature (salary, employee benefits...). Activities should be listed with a categorization of expenses by nature under each activity.

Non-profit support activities revenues and expenditures (printing shops, nursery school...) should be shown within each support activity. Support activities such as a printing shop generate outside revenues as well as have expenditures. The net revenues over expenditures should be shown by support activity. The report should include allocation of fixed cost to activity center based upon space utilization and life of fixed asset.

The statement of comparison of actual revenues and expenditures with budget by activity should be channeled to the directors of the various activities and to the budget committee. The reports should be reviewed to determine if corrective action needs to be taken. A highlight report should be generated by the business administrator and given to the budget committee explaining major variances.
2. **Monthly statement of revenue expenses and changes in fund balances.**—From computer printout the monthly statement of revenues, expenditures, and changes in fund balances should be prepared. This statement should have several characteristics:

1. It should articulate with the budget responsibility report.
2. It should be summary in nature.
3. It should be summarized by activity for expenditures and by nature of account for revenues.
4. It should show the changes in fund balances—particularly interfund exchanges.
5. It should report revenues and expenditures by type of fund.
6. Interest expense should be shown separately from activity accounts.
7. It should reflect accrual basis accounting.

This report format is shown in Illustration 51. The monthly statement of revenues, expenses and changes in fund balances should be printed out by the computer and typed in easy to read, understandable form. The statement should be presented to the deacons of the church for analysis and review of the achievement of the financial plan of the church.

3. **Monthly statement of financial position.**—It is recommended that a statement of financial position be prepared on a monthly basis and reported to the deacons. The report should possess the following characteristics:

1. It should articulate with the monthly statement of revenues, expenditures and fund balances.
2. It should be summary in nature (showing accounts payable as a single item rather than showing each liability separately).
3. It should have a traditional accounting classification for current assets, fixed assets, investments, and other assets.
4. It should have a traditional accounting classification for current liabilities and long term liabilities.
Illustration 51

Hypothetical Baptist Church
Statement of Revenue, Expenditures and
Changes in Fund Balances
For Month of June 30, 1975

<table>
<thead>
<tr>
<th>General Operation Fund</th>
<th>Building Fund</th>
<th>Restricted Fund</th>
<th>Endowment Fund</th>
<th>Misc. Fund</th>
<th>Total all Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenues

Tithes and offerings
  Regular
  Designated
  Allocated
  Total
Other Revenue
  Investment
  Rented
  Miscellaneous
  Total

Expenses

Christian Leadership
Christian Education
Missionary
Music
Business Administration
Plant Maintenance
Support Activities
  Revenue
  Expense

Interest Expense
  Total

Changes in Fund Balance
  Net Revenues (expenses)
  Fund Balance-beg. of month
  Transferred to general fund
  Properties
  Endowment Principal
  Restricted funds released
  Funds balance-end of month
5. A section called fund balances should show the classification of the funds held by the church as follows:
   a. Unrestricted
   b. Funds held for the production of income
   c. Funds restricted to specific purposes
   d. Net investment in properties
   e. Net investment in equipment

This report should be printed out by the computer monthly and typed in easy to read, understandable form. Several points bear mention and further explanation. First, the direct writeoff method is recommended for accounts receivable due to the immaterial nature of receivables in most churches. Secondly, depreciation expense is charged against the net funds investment in properties and equipment. Thirdly, fund balances shown represent a condensation of only four churches' statements. It is conceivable that other fund classification schemes might be used. As previously mentioned, this report goes to the deacons. An example of a statement of financial position is shown in Illustration 52.

4. Year end general purpose statements.—At year end the general purpose financial statements can be quickly prepared by the computer. A program calling for only minor adjustments needs to be used so that the computer printout is in final form except for typing. Two general purpose statements are recommended here: the statement of revenues, expenses, and changes in fund balance for the year, and the statement of financial position as of year end. These statements should be audited by an independent certified public accounting firm and their report presented to the general membership.

5. Highlight financial report.—The highlight report prepared by the business administrator on a monthly basis should
Illustration 52

Hypothetical Baptist Church
Statement of Financial Position
June 30, 1975

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Operating Fund</th>
<th>Building Endowment Funds</th>
<th>Restricted Funds</th>
<th>Total Funds</th>
</tr>
</thead>
</table>

**Assets:**

**Current assets:**
Cash in bank, on hand and petty cash
Savings accounts
Certificates of deposit
Accounts receivable

**Fixed assets:**
Land and building (cost)
   Less accumulated depr.
Furniture and fixtures (cost)
   Less accumulated depr.
General equip. (cost)
   Less accumulated depr.
Automotive equipment (cost)
   Less accumulated depr.
Investments (cost)
Other Assets (cost)

**Liabilities:**

**Current liabilities:**
Taxes payable
Accounts payable
Due to other funds

**Long term debt:**
Notes payable
Bonds payable

**Fund balances:**
Unrestricted
Funds held for the production of inc.
Funds restricted to specific purposes
Net funds investment in properties
Net funds investment in equipment
emphasize only significant or exceptional items. The report should be presented to the deacons and the general membership. It should have sections--Personnel and Financial. The information highlights report is the top of the pyramid in the pyramid reporting concepts. It represents the report which is the most summary in nature and is shown in Illustration 53.

6. Special reports.--The computer should have the random ability to prepare the following special reports:

1. Print out of general ledger by account
2. Print out contributions subsidiary ledger by account
3. Print out quarterly contributions card by account
4. Print out a receivables and payables list by account
5. Print out a budget responsibility report at the most detailed responsibility center level upon request by the person responsible for that center. A special request form should be designed.

Centralized purchasing function. It is important in any organization that the purchasing function be centralized as much as possible. Centralization provides for an added degree of control over expenditures. A standard prenumbered requisition form should be submitted to the business administrator for approval. The purchase requisition should include the following:

1. Name of department submitting purchase requisition
2. Date of requisition
3. Date required
4. Description of item
5. Estimated cost
6. Expense account to be charged
7. Authorized signature of department head

The business administrator will contact vendor to obtain a price quotation and then complete the purchase order. The purchase
Illustration 53
Hypothetical Baptist Church
Information Highlight Report--June, 1975

Personnel

Membership increased for the first time in six months. During the month 130 new members joined the church compared to 127 for the same month last year. We are still experiencing a negative growth rate for the year to date, however. Thus far, this year we are loosing members at the rate of .5% per month. This recent increase can be attributed to the filling of the minister of education post which had been vacant three months.

Staff - The only new staff member is the minister of education who began active duty on the first of the month. Jim Jones has been promoted to associate minister of music during the month.

Congratulations, Jimmy!

Financial

Tithes and offerings were down again this month partially due to the tremendous sustained downswing in the economy. Even though our efficiency program has helped make a favorable expense variance, the unfavorable revenue variance has offset this and there is a net unfavorable balance in the general fund.

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Over (Under)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tithes and offerings</td>
<td>xxx</td>
<td>xxx</td>
<td>(xx)</td>
</tr>
<tr>
<td>for month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>xxx</td>
<td>xxx</td>
<td>xx</td>
</tr>
<tr>
<td>Net unfavorable balance</td>
<td>xxx</td>
<td>xxx</td>
<td>x</td>
</tr>
</tbody>
</table>
The only budget responsibility center which was overspent for the month was our older adult center. Due to the unusually large number of nursing homes locating in this vicinity expenditures in this activity are now exceeding the budget and are expected to exceed budget in next three months after which they will come down and stabilize just above previous levels.

Significant single transactions

The purchase of the Jewell Street annex was completed this month. The final purchase price was $1,000,000 on which we paid $200,000 down, surrendered investments with a market value of $600,000, and borrowed $200,000 from the First Mortgage Bank. The building will be used to house the new recreation facilities.

An offer of $200,000 was received on old recreation facilities at 2971 Barrios Street. The finance committee has the offer under consideration at this time.
order form should be a standard purchase order form. It should include the following information:

1. Purchase order number
2. Description of item ordered
3. Price quotation
4. Authorized signature by purchasing agent

Receiving reports and inventory lists. The most serious control shortcoming with respect to disbursements by the case studies is in two areas--receiving reports and inventory control sheets for equipment. Once a properly authorized item is paid for, control is lost. No receiving reports are prepared and no effort is made to determine if what is paid for is received. The use of receiving reports are a must in a large church. This would be a responsibility of the business administration department.

Another serious weakness is that accountability for equipment is not maintained. An up-to-date inventory of all moveable equipment should be maintained. These should be maintained by computer files. The computer should periodically print out inventory lists by department and inventory verification should be made by department heads. Exception reports should be reported to the business administrator for further search or for reduction of plant and equipment accounts.

Control of excess cash funds. Pastors agreed that excess cash funds are not a normal occurrence. When excesses occur, cash is invested in low risk, low yield treasury bonds. Usually the finance committee is in charge of the investment decision. In other cases trustees manage the portfolio.
Churches should make the investment not on the basis of low risk, low yield, but on the basis of advice from investment experts and objectives with respect to excess funds. Although risk is a factor in any investments, it should be considered in relation to yield for determining investments.

Control of securities should include the following:

1. Placement of document in safe or safety deposit box
2. Entries at cost to record purchase of short term investment
3. Continual monitoring of market price of investment
4. Bonding of all persons handling investment documents
5. Proper authorization for purchase and sale of bonds
6. Historical analysis of success of investment decision

Statistical sampling to determine income level of church. One critical piece of information needed and missing from all systems studied is the total income of the members of the church. One specific objective of every church is to get all members to contribute 1/10 of their income to the church. The degree of achievement of this goal is not determinable in the churches studied.

It is recommended that a yearly statistical sample of the church members be taken to determine the level of total membership. A comparison of the level of total contributions to total church income will yield a percentage. This percentage can be compared with the goal of 10% to determine the level of church giving and achievement.

Recommendations for a Personnel Information Subsystem

Churches need a personnel information system even more than businesses do because many of the goals of the churches can be
expressed in terms of person's actions and decisions. Because of this churches need a finely tuned personnel information system.

Responsibility for personnel information subsystem. The responsibility for the operation and control of the personnel information subsystem should rest primarily with the business administrator, and secondarily, with the chief personnel information administrator. The chief personnel information administrator's function, like the chief accountant's function, is primarily one of processing. His function is to maintain input, processing and output of an already designed system. In addition he is to seek feedback from the users on ways to improve the system.

Data elements to be gathered on members and prospects. Based upon the basic decision delineated previously and upon other decisions determined in the case study, the following information is recommended to be gathered on members and prospects of the church.

1. Name and address
   Residence and phone
   Business and phone

2. Occupation
   Working hours--off hours

3. Family relationship
   Father, Mother, son, daughter, single male-female

4. Church affiliation
   member
   non member
   who participates
   prospect

5. Educational attainment

6. Sunday School department and class
7. Parents' church affiliation

8. Organizations of church in which member participates and offices held in organization
   - Training union
   - Choirs
   - Women's Missionary Union
   - Brotherhood
   - Baptist Young Women
   - Acteens
   - Girl's auxiliary
   - Royal Ambassadors
   - Mission Friends

9. Information on side two of Broodman System 70 card, page 151

10. Yearly pledge

11. Monthly contributions by individual
    - Income level of church

12. Method member was reached and who reached the member
    - Examples: Christian leadership--reached by whom
    - Christian education--reached by whom
    - Missions--reached by whom

13. Attendance records
    - Regular gatherings and meetings
    - Special gatherings and meetings

Not all of the information can be input to the computer when the member joins the church or he is visited as a prospect. Some of the information must be added later. This is an important reason for the church to have a full time chief personnel information administrator. All of the pastors interviewed expressed the desirability of having the information above.

The random access to the many files established in computer memory is of particular importance to the pastors, educational directors, ministers of music and other staff members interviewed. The case study churches that use computer units to process the membership information without exception, however, fail to maintain accurate and up-to-date input data.
When the information put into the system is inaccurate, then the decisions made cannot be optimal. To this extent, the computerized churches have systems which do not effectively provide data for decisions.

**Processing membership data.** As members and visitors attend Sunday School they should fill out a machine readable attendance card. These attendance cards are placed in an envelope along with the member's contributions for the day and collected by a chosen individual and carried to the business administrator at a central location. The business administrator should then carry the cards to the bank, under guard, and deposit them in a safety deposit box. On Monday the chief accountant and other bonded accounting personnel should go to the bank and prepare the weekly deposit report for Sunday School, deposit the cash and return with the machine readable Sunday School attendance cards. The cards will then be input to the computer. The information contained on one of these cards should be as follows:

1. Name (printed)
2. Machine coded name (e.g. 62-506-1052)
3. Amount of contributions
4. Type of contributions
5. Other information desired (varies by church)

The amount of the contribution can then be filed by the computer memory under the name of the contributor subject to future recall in regular and special reports and to posting to other computer-stored files.

**Monthly visitation reports.** In a large church there are usually between 200 and 1,000 members who are willing to regularly visit
prospects and members who are not faithfully attending church. One of the church's objectives with respect to visitation is to enlist new members and to then encourage them to get caught up in the spirit of the church by visiting them for a period of time after they join. A visit can be completed by a member of one of two groups of people—the full time staff members or the volunteer membership.

Some churches' strategy is to hire many full time staff members to do the visiting. Other churches' strategy is to hire a few full time staff members who coordinate and encourage volunteer members visiting. In both strategies visitation by volunteer workers is encouraged.

The following reports are recommended for decisions about visitation.

1. Church-wide visitation achievement report
2. Departmental visitation achievement report
3. Attendance reports on membership

The reports should be tied to the goals of the church and departments and should indicate a level of effectiveness and efficiency. The church-wide visitation achievement report should be presented in the format shown in Illustration 54 and should be presented to the pastor, deacons, and heads of the various programs. In addition, the reports should be transmitted to the persons and departments whose names are listed thereon with notes of commendation where appropriate.

The departmental achievement report should include the same basic types of information as the church-wide report except it should be sent to the department heads. Information included thereon should relate only to the department.
Illustration 54
Hypothetical Baptist Church
Church-wide Visitation Achievement Report
For Month of June, 1975

1. Objective achievement report - # visited

<table>
<thead>
<tr>
<th>Obj. for Mo.</th>
<th># visited for Month</th>
<th>Variance</th>
<th>Obj. to Yr. to Date</th>
<th># visited for Year</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,000</td>
<td>2,050</td>
<td>50</td>
<td>6,000</td>
<td>6,500</td>
<td>500</td>
</tr>
</tbody>
</table>

Cost per visit for church year to date - $100

2. Objective achievement report - # reached

<table>
<thead>
<tr>
<th>Obj. for Mo. during Mo.</th>
<th># reached</th>
<th>Variance</th>
<th>Obj. yr. to date</th>
<th># reached</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>101</td>
<td>1</td>
<td>300</td>
<td>298</td>
<td>(2)</td>
</tr>
</tbody>
</table>

Cost per person reached year to date - $200

3. Best workers report - effectiveness

(a) Three member-workers with most visits for month

<table>
<thead>
<tr>
<th>Name</th>
<th># visits</th>
<th>Goal Var.</th>
<th>Name</th>
<th># visits</th>
<th>Goal Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. John Doe</td>
<td>50</td>
<td>20</td>
<td>30</td>
<td>1. Jacob Jones</td>
<td>100</td>
</tr>
<tr>
<td>2. Jim Jones</td>
<td>42</td>
<td>14</td>
<td>28</td>
<td>2. John Jacobs</td>
<td>90</td>
</tr>
</tbody>
</table>

Three staff-workers with most visits for month

(b) Three departments with most visits per month

<table>
<thead>
<tr>
<th>Name</th>
<th># visits</th>
<th>Goal Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Median Adults</td>
<td>500</td>
<td>300</td>
</tr>
<tr>
<td>2. Young Marrieds</td>
<td>420</td>
<td>240</td>
</tr>
<tr>
<td>3. Meridian Adults</td>
<td>200</td>
<td>100</td>
</tr>
</tbody>
</table>
(b) Three member workers with highest effectiveness ratio year to date

<table>
<thead>
<tr>
<th>Name</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. John Doe</td>
<td>1/10</td>
</tr>
<tr>
<td>(i.e., one out of every 10 persons he visits is reached)</td>
<td></td>
</tr>
<tr>
<td>2. Kate Smith</td>
<td>1/15</td>
</tr>
<tr>
<td>3. Joshua Breaux</td>
<td>1/16</td>
</tr>
</tbody>
</table>

Three staff workers with the highest effectiveness ratio for year to date

<table>
<thead>
<tr>
<th>Name</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bert Yates</td>
<td>1/8</td>
</tr>
<tr>
<td>2. Johnny Boudreaux</td>
<td>1/10</td>
</tr>
<tr>
<td>3. Nancy Malone</td>
<td>1/12</td>
</tr>
</tbody>
</table>

Three departments with highest effectiveness ratio year to date

<table>
<thead>
<tr>
<th>Name</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Young Adults</td>
<td>1/20</td>
</tr>
<tr>
<td>2. Median Adults</td>
<td>1/25</td>
</tr>
<tr>
<td>3. Junior High</td>
<td>1/30</td>
</tr>
</tbody>
</table>

4. Efficiency report by department (all departments)

<table>
<thead>
<tr>
<th>Name</th>
<th>Ratio for</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Month¹</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Junior High</td>
<td>$.5/visit</td>
</tr>
<tr>
<td>2. Young Adults</td>
<td>.6/visit</td>
</tr>
<tr>
<td>3. Young Marrieds</td>
<td>.55/visit</td>
</tr>
<tr>
<td>15. Meridian Adults</td>
<td>.1/visit</td>
</tr>
</tbody>
</table>

¹Ratios are calculated by computer based upon allocated costs to departments (i.e., Junior High Department) and the visits made by that department during the period.
Processing visitation data. Two types of visits are made--initial visits and follow-up visits. Initial visits involve visiting people who have never been visited before while follow-up visits involve visiting people who have been visited one or more times.

As pointed out previously, the data base includes information on not only members but prospects. Membership information is input to the data base when members join. Prospect information is input to the data base when prospects are identified.

Prospects are identified in two basic ways--when they visit the church and when names are supplied by outside sources. Outside sources may include lists of new families supplied by the Chamber of Commerce or some other agency or from asking about prospects when visiting other prospects or from area canvasses searching for prospects.

After prospect information enters the system there exists a data base on prospects upon which to call for information reports. One such report needed is a prospect visitation card. This card is a printout of the computer system. The card printed out should include the following information:

1. Name and home address of prospect
2. Name and mailing address of person assigned by the computer to visit. (Computer will assign from a file on available workers who lives the nearest to the prospect).
3. Date assigned
4. Spaces for the following information to be collected:
   (a) Date of visit ________
   (b) Name of other family members ________
   (c) Religious status of members ________
   (d) Best time of day to visit again ________
   (e) Would person mind being visited again? Yes No.
   (f) Comments: ___________________________________
   (g) If the person does not mind spending time all personal data can be collected at the visit with respect to personal profile.
The card is mailed to a worker-member or staff-member for use in visitation. When the card is returned information is input to the computer.

**Monthly attendance reports.** Monthly attendance reports for certain regular church meetings are recommended. The Monthly Sunday School report should be a printout by the computer. It should include the information shown in Illustration 55, and be typed in easy to read, understandable form.

The basic failure of the case study churches in the generation of personnel information is their failure to associate the two elements of the data base, dollars and persons. The objectives in terms of persons should be associated with the dollars expended in achieving objectives. The emphasis on the monthly attendance report is on goal achievement. Variances from goals are highlighted and dollars expended are matched with goals achieved to form financial ratios.

Just as pyramid reporting was recommended for financial information, it is recommended here for personnel information. The preparation of the Monthly Attendance Report should be the responsibility of the chief personnel administrator and he should report it to the Board Deacons and the Business Administrator. The Business Administrator prepares the highlight report previously discussed shown on page 238.

More detailed reports should be presented to the functional areas shown on the report such as to the Librarian and to the recreation director. So the reports should be as follows:
### Illustration 55

**Monthly Attendance Report—June, 1975**

1. **Sunday School Attendance**

<table>
<thead>
<tr>
<th></th>
<th>Dec. 1</th>
<th>Dec. 8</th>
<th>Dec. 15</th>
<th>Dec. 22</th>
<th>Dec. 29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Offering</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
</tbody>
</table>

**Offering & Attendance**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Goal</th>
<th>Var.</th>
<th>Last Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
<tr>
<td>Offering</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
<td>$xxxx</td>
</tr>
</tbody>
</table>

Average total cost per person attending $x
Industry average $x

2. **Training**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
</tr>
</tbody>
</table>

Average Training Union Attendance $xxx
Industry Average $xxx

3. **Membership and Losses**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td># Reached</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>150</td>
<td>200</td>
<td>(50)</td>
</tr>
</tbody>
</table>

4. **Library**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Circulation</td>
<td>xxxx</td>
<td>New Readers</td>
<td>xx</td>
<td>Special Services</td>
</tr>
<tr>
<td>Gifts</td>
<td>xx</td>
<td>Goal xxx Var. (xx)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attendance</td>
<td>xxxxx</td>
<td>Goal xx Var. xx</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. **Recreation**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Scheduled Activities</td>
<td>xx</td>
<td>Goal x Var. x</td>
<td>Total reservations</td>
<td>xx</td>
</tr>
<tr>
<td>Weekly Attendance</td>
<td>(xxx)</td>
<td>Goal xxx Var. (xxx)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Weekly Attendance</td>
<td>xxx</td>
<td>Goal xxx Var. (xxx)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average cost per person using facility</td>
<td>xx</td>
<td>Goal $xx Var. $xx</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. **Sunday School Collections**
   - Undesignated Offering: $xxxx
   - Designated Offering: $xxxx
   - Total Tithes & Offerings: $xxxx

8. **Music**

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
<th>Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Choirs</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Choir enrollment</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Beginners</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Primaries</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Juniors</td>
<td>xxxx</td>
<td>(xx)</td>
</tr>
<tr>
<td>Clarion</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Chapel</td>
<td>xxxx</td>
<td>(xx)</td>
</tr>
<tr>
<td>Ensembles</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Sanctuary</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Orchestra</td>
<td>xx</td>
<td>(xx)</td>
</tr>
<tr>
<td>Handbells</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Total enrollment</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Total Av. Atten</td>
<td>xxxx</td>
<td>xx</td>
</tr>
<tr>
<td>Services and other</td>
<td>xx</td>
<td>xxx</td>
</tr>
<tr>
<td>programs</td>
<td>xx</td>
<td>xxx</td>
</tr>
<tr>
<td>Rehearsals</td>
<td>xx</td>
<td>xxx</td>
</tr>
<tr>
<td>Av. cost per atten</td>
<td>$xx</td>
<td>xxx</td>
</tr>
<tr>
<td>Industry average</td>
<td>$xx</td>
<td>-</td>
</tr>
<tr>
<td>Additions to choir</td>
<td>xx</td>
<td></td>
</tr>
<tr>
<td>Choirs members leaving</td>
<td>xx</td>
<td></td>
</tr>
<tr>
<td>Net increase (decrease)</td>
<td>xx</td>
<td></td>
</tr>
<tr>
<td>in choir</td>
<td>xx</td>
<td>xxx</td>
</tr>
</tbody>
</table>

9. **Missions**

<table>
<thead>
<tr>
<th>Church</th>
<th>Dec. 1</th>
<th>Dec. 8</th>
<th>Dec. 15</th>
<th>Dec. 22</th>
<th>Dec. 29</th>
<th>Total</th>
<th>Goal</th>
<th>Var.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Good Hope</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Good</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Shephard</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Rocky Mt.</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
<td>xx</td>
</tr>
</tbody>
</table>

Average cost per person reached in local missions: $xxxx
Industry average: xx
Training of personnel for information processing and decision making positions. In order to understand any information it is necessary to understand the rudiments of its nature. In interviewing the pastors, who are the leaders of churches, not a single one has ever taken a formal or informal course in general business administration, general management, much less accounting or reading accounting reports. During the case studies it became apparent that training is an area of need in these churches. In all the interviews no person was ever interviewed who has taken a formal course in church administration.

Even though the churches are managed to a large degree by members and certain members contribute special expertise to the administration of the church, churches are still a complex of many interrelated variables and are deserving of formal study. Formal study of large churches has been deemphasized in the Southern Baptist Convention with the thinking being that they can take care of themselves. Perhaps they can just "take care" of themselves, but while they are taking care what innovations are being passed up and what research gathering opportunities are being passed up?
Programs should be begun in the churches' educational institutions to assure that personnel who will be in leadership positions have the necessary basic tools of administration needed to perceive the complexity of a large church.

Seminar programs should be conducted to help pastors and laity alike to establish a common body of knowledge in the field of church management. Efforts should be made to develop such concepts as accounting theory, theory of communication, report analysis, and ratio analysis, just to name a few.

Formal extension courses for credit in these areas should be offered for pastors and laity of large churches. Research should be encouraged and conducted to determine inputs to books to be used in this regard.

Recommendation for Logistics

Information Subsystem

The logistics information system is a very important part of the total information system, contrary to previous intuitive observations. There are many logistics problems within the church. Two primary problems, however, are dominant. The first problem of assigning prospects cards to members for visitation has been previously discussed under the personnel information system. The second problem comes from the bussing activities of large churches.

All of the churches have programs whereby buses pick up certain members to transport them to church activities. It is recommended that information be gathered on who rides the buses, how often they ride, and what function they are attending.
The information should be input to the central computer system so that the effectiveness and efficiency reports can be generated to determine how many contacts are needed to reach people in different logistical areas of the city or region. In addition reports should be made on how effective an individual who visits has been.

RECOMMENDATIONS FOR AN EXTERNAL INFORMATION SYSTEM

While the uniform church letter of the Southern Baptist Convention on page 79 allows for gathering and reporting of information totals for large and small churches on a convention wide and categorical basis, this information does not come out until many months after the close of most church years and many more months after the close of some church years. In addition the data as presently gathered and reported has several shortcomings:

1. Untimely except for "look how we are doing at a glance" decisions.

2. Non-comparability of numbers added in arriving at totals. Fiscal years of churches vary and numbers are not adjusted accordingly.

3. Dollar values reported are not comparable. For example, church property values are simply totals of value of property reported by the churches and some churches report at historical cost while others report at some appraised value.

4. Does not have ratio highlights.

State convention and association reports possess the same shortcomings since they are also based upon the uniform church letter. The state convention and association reports possess other positive
characteristics, though. Churches' basic data is shown in total for each church in each association in some state convention and association reports. This allows a general comparability of individual churches.

While the uniform church letter and resulting reports do serve a vital function in the convention, they do not facilitate the decision-making processes of the individual church during a fiscal year. Several recommendations with respect to the uniform church letter function are shown below.

1. That the Sunday School Board of the Southern Baptist Convention aid large churches by providing quarterly analyses of key decision-making variables to the large churches. The information should be gathered on a statistical random sample basis. The information should include the following:
   a. contributions trends
   b. attendance trends
   c. budgeted compared with actual trends
   d. cost trends and ratios
   e. reflect the data base elements of the individual churches (i.e., average attendance, reported in churches should be a ratio reported as an industry average by the Sunday School Board.)

2. The largest churches in the convention should form an association either independently or under the auspices of the Sunday School Board administrative division to help large churches become better managed. Emphasis should be on improving both effectiveness and efficiency.

ANALYSES OF SOME BASIC PROPOSITIONS

Because of the nature of this study statistical inferences about the population cannot be made concerning the findings of the study. However, the writer had formulated certain propositions concerning church information systems and submits the following analyses of these propositions.
Church Information Systems are Based Upon Clearly Stated Objectives

The pastors of the case study churches feel that the mission of the church as a whole is clearly stated in writing in the church covenant. The church covenant is adopted by vote when a church is chartered. The pastors feel that church staff members understand the objectives but that other employees probably do not. They agree that seldom if ever, are objectives placed in writing other than the church covenant and that no formally adopted cohesive set of objectives is adopted by the churches.

Although the objective of the church is adopted in the church covenant, there is no evidence in any case study church that objectives are written, adopted, or clearly communicated for the church information system or for individual departments of the church. Specific goals for departments are not in evidence in any church. Since no goals are set to compare to expenditures no efficiency index can formally be constructed.

Adequate Internal Controls are Provided for by the System

Major internal control weaknesses are found in these churches. With respect to the financial information system, four weaknesses are generally apparent. First, deposits are made only once a week in some churches. It would have been quite easy and practical to make at least three deposits a week, if not daily deposits. In addition, loose control of cash receipts is evident in some churches. A second weakness noted is the lack of separation of duties among employees. All the case study churches have ample numbers of employees to
separate the handling of cash and disbursements of checks from the bookkeeping function. Yet in three of four cases one employee maintains books and receives and disburse assets. A third weakness is that no receiving reports are prepared in any case study churches even though as much as millions of dollars a year are disbursed. Receiving reports are needed to provide a check to determine if what is paid for is received. A fourth weakness is that inventory control of equipment purchased for use is non-existent. No lists of equipment are maintained and checked on a regular basis in any church.

With respect to the personnel Information system for the churches which use computers to process membership information, the control of inputs is weak. Information is input to the system with no subsequent check on validity.

With respect to the logistic information system no weaknesses other than related weaknesses mentioned above are stated since logistics information is generally not maintained other than in visitation activities.

Adequate Comparisons are made Possible by the Information System

The only comparisons by the churches possible are in absolute numbers. By using association, state convention and Southern Baptist Convention yearly reports these comparisons can be made for a number of totals for churches. No breakdowns can be discovered for types of expenditures in these reports, so that the classification by nature of expenditures can be compared. In addition some large churches have no comparable church to compare with. It is not in evidence in the case studies that churches use these reports for
decision making purposes. Data is not accumulated the same in the churches and there is no efficiency reporting in the churches.

In the absence of comparisons which are used as a basis for decision making it must be concluded that churches do not have information upon which to base comparisons. The pastors interviewed agree with this.

The Preparation and Administration of the Budget Complies with the Basic Principles of Budgeting

Generally the basic principles of budgeting are adhered to. Some weaknesses can be noted even though the pastors agree to the adequacy of budget preparation and administration procedures. Half of the churches do not ascertain written premises upon which the budget is based. In addition, the budgets do not appear to be anchored in a foundation of church planning. Half the pastors agree with this statement. They agree that the budget system is not used as a means for setting standards of performance, for measuring actual results, and for guiding church management toward satisfactory achievement of goals.

The primary weakness noted, however, is a lack of statement of what is to be accomplished with budgeted dollars. Dollars are allocated to departments and divisions but no corresponding objectives are set forth for what is to be accomplished with the dollars spent. There seems to be too much emphasis on "staying within the budget" and not enough emphasis on accomplishing objectives.
Information is Provided by the Information System on the Economical Use of Excess Cash Funds

Although excess cash balances exist in three case study churches only one church invests excess funds in anything other than a savings account or certificates of deposit. Only no risk or extremely low risk investments are made. In addition no information is provided by the information system upon which to compare actual return on investment with a normal return.

It is that a policy of ultra-conservatism is a traditional policy. Perhaps a policy might be changed if adequate information is provided to analyze effectiveness of investment of excess cash balances.

Information Reported to Internal Decision Makers is Adequate to Meet Their Needs

The pastors have mixed feelings on rating general information provided to internal decision makers. One-half the pastors rate the information provided as "adequate" while one-quarter rate it "poor" and one-quarter rate it "excellent". It is important to point out that the only pastor with extensive practical experience in development of information systems (he is at a new church) gave the rating of poor. His church system is not very much different from the other systems.

It is the writer's opinion that the information provided is "poor". The only information upon which a decision maker can base a decision is information in absolute numbers on trends within his church. The information received from other churches cannot be compared with his church because data is accumulated using different
methods. Also ratios are neither provided by the internal nor the external information system. In general there is no formal matching costs with achievement of objectives.

The writer's opinion is supported by the pastors' opinions. Three-fourths of the pastors feel that information is not provided by his church information system which enables him to make effective comparisons with the churches.

**Personnel are Adequately Trained in the Preparation and Use of Information**

For pastors, who are the leaders of the churches, there is no formal training in the areas of church management, information systems design and use, and use of accounting reports. In all the interviews no person working for the church or working on a committee was interviewed who has had formal training in church administration.

Persons are generally trained within the church to process and use the church information system. No formal training programs are used, however, and no control is exercised in the training of individuals. Performance reports for employees, although mentioned in one church handbook, are non-existent. None of the pastors interviewed have been shown their job objective in writing. Only half of them have had their job objective explained to them verbally.

Persons working in processing information are usually trained after they start work. Even bookkeeper and computer input personnel are trained after employment. In general, formal training of church employed personnel in preparation and use of information is inadequate.
CHAPTER VI

SUMMARY, RECOMMENDATIONS, AND CONCLUSIONS

Based upon the general systems theory and information systems theory, postulates and principles were deduced upon which to base a church information system which will effectively provide data for decisions.

The basic postulates underlying church information systems theory for Southern Baptist Convention churches are as follows:

1. Church information systems theory is a natural extension of information systems theory which is a natural extension of general systems theory.

2. Churches are made up of humans desiring to achieve objectives.

3. Humans in churches make decisions in achieving objectives.

4. Information is needed by humans in churches in order to make sound decisions.

5. Information can be useful or not useful to humans in churches for making decisions.

6. Useful information is more desirable than non-useful information.

7. Information needs to be checked for reliability.

The principles of church information systems theory upon which a system should be based center around the four basic principles of
planning, designing, utilizing, and controlling. The principles are
delineated on page 41 in Chapter II.

Chapter III, the history chapter, in addition to providing a
historical perspective for the recommendations, presents some basic
philosophies which provide a basis for recommendations for a model
church information system. As early as 1878, ratio analysis was
recognized as useful. However, ratio analysis never found its way
down the rank and file to common usage by local churches. Denomina-
tion uniform reporting, which began in 1921, forms in part the basis
for recommendations for reporting information on a comparable basis.
The attest function performed on church accounts in 1830 forms in
part the basis for recommendations on control. Public reporting of
contributors in 1845 forms in part the basis for recommendations of
reports on membership giving. Reports from the beginning of the
Southern Baptist Convention until today have been designed to go to
the deacons of the church who are the strongest decision making body
of the church. In recent years, pastors and other employees have been
assuming more decision making roles. This forms the basis for recom-
mendations of reports designed for the decision centers of the church.

In Chapter IV, the current structure of church information
systems is presented with respect to the three basic information
subsystems--financial, personnel and logistic--and decision processes
are identified. It is illustrated that while the deacons are the
ultimate decision making unit in the church, in most cases considerable
decision making authority is delegated to various church employees
including primarily the pastors, the ministers of education, the
ministers of music, the ministers of missions, the ministers of business administration, ministers of recreation, the ministers of various support activities, and the employees who work under them.

Two types of information processing systems are apparent in the churches—computer based and manual based. All of the churches studied have the following characteristics:

1. a fund accounting system
2. a general ledger accounting system
3. a unified budget approach for budget preparation and approval
4. yearly statements of receipts, expenditures, and changes in fund balances
5. some form of contributor's subsidiary ledger
6. a cash basis of accounting except one which uses a modified cash basis.

All of the churches have serious internal control weaknesses which can be easily remedied by shifting job responsibilities with respect to cash receipts and recording and control of cash disbursements. Two of the churches record fixed assets at cost while another records fixed assets at cost and market value. None of the churches record depreciation or assigned fixed cost to responsibility centers based on space utilization. None of the churches uses receiving reports which include both expenditures and objectives expected to be achieved at that expenditure level.

Cash journals are held open past year end in two churches to record checks issued for payables at year end.

Pledges receivable are recorded in audited financial statements and qualified opinions are rendered because of the recording of assets at market value.
The personnel information systems processed primarily by computer provides a few comprehensive regular reports and a large variety of special reports which are available upon request by different organizational components. The primary advantage of the computer based systems is that they provide accumulated data in summary form quickly and they provide specific data on individual members in a one-line report format. Much desirable information is provided by the computer based systems which is not provided by the manual systems.

Neither the computer based nor the manual systems provide a merging of all subsystems—financial, personnel, and logistic—to provide an integrated church information system. Financial information is accumulated on one hand while personnel information is accumulated on the other hand. Since many of the objectives of the church deal with persons, a basic shortcoming seems to emerge—that objectives identified in terms of persons are never related to financial numbers to measure specific costs of achieving specific objectives.

Only one church planned its present information system based on its current needs. The other systems had been handed down for many years. Only one church has ever hired an outside consultant to help in the analysis of the information system.

In the case studies the most basic data elements accumulated are dollars and persons. All of the case study data presented here is, in part, a basis for recommendations for a model church information system which provides data for decisions.
There are thirty-seven recommendations made which will improve the ability of church information systems to provide data for decisions. There are four general recommendations.

1. Churches should gather information in the smallest data elements needed in the decision system. These data elements can be used to build other reports. The smallest data elements recommended are in two categories--dollars and persons.

2. A church information system should be a single integrated system as opposed to two or three separately maintained subsystems.

3. A centralized computer processing function is recommended to handle financial, personnel, and logistic information.

4. Pyramid reporting is recommended.

Recommendations with respect to the planning principle are numbered five through nine. The single most destructive shortcoming of the churches studied is a general lack of planning their church information system.

5. The establishment of a Search Committee is recommended.

The responsibility of the committee should be:

"To seek out and make recommendations of opportunities for improving the ability of the church to achieve its objectives more effectively and efficiently."

6. The establishment of a Temporary Committee on Improvement of Information Systems is recommended. The responsibility of the committee should be:
"To develop and direct the development of an information system which is based on the objectives of the church, is keyed to decisions made by members, is efficient, and is futuristic in scope."

7. The recommended stated objective of the church information system is as follows:

"The objective of a church information system is to provide relevant, timely, dependable, economical information to the decision making units within the church to help the church achieve its overall mission(s)."

8. Once the objective of the system is established, it is recommended that a Committee on Premising be established:

"To gather the facts and make assumptions about the future upon which the plans of the church should be founded."

9. The Improvements Committee should then (based on premises established in writing) determine and analyze alternative courses of action, choose a course of action and prepare a written timetable for implementing the integrated church information system.

Recommendations with respect to the designing principle are numbered 10 through 13. In order to effectively design an information system:

10. The objectives of the church must be established in writing.

11. The decision centers must be identified.

12. It is recommended that decisions be aggregated around logical decision centers to allow the most efficient accomplishment of objectives. Certain ratios are recommended to be reported.
13. For purposes of design of the integrated system it is recommended that the basic types of information of a church can be classified as financial, personnel, and logistic.

The recommendations with respect to the principles of utilizing and controlling are numbered 14 through 19.

14. The operation and control of the financial information subsystem should be the responsibility of the church business administrator.

15. To allow for better comparability, it is recommended that a single budget year be adopted for all large churches and that financial budgetary planning be done on a three year prospective rotating basis.

16. A unified budget approach is recommended. Budget reports should include goals and objectives matched against actual results. Regular monthly reports are recommended.

17. Quarterly membership contributions statements should be mailed highlighting overpledged or underpledged amounts.

18. A monthly, exceptions only, contributions report is recommended so that deacons can identify and take action on collection of delinquent pledges.

19. A pyramid approach to reporting is recommended whereby lower level reports are detailed and higher level reports are summary in nature.

The following reports are recommended in numbers 20 through 25.
20. Monthly budget responsibility reports (hierarchical) to be prepared on accrual basis accounting with full allocation of fixed cost to responsibility centers on the basis of space utilization.


23. Year end audited financial statements.

24. Highlight reports for church body and deacons emphasizing exceptional items.

25. Special reports. 

Recommendations are made to include:


27. Receiving reports and fixed asset inventory lists.

28. Control of excess cash funds.

Recommendations with respect to the personnel information subsystem are numbered 29 through 35.

29. The operation and control of personnel information subsystems should be the responsibility of the business administrator.

30. Data elements for the subsystem should be gathered around members and prospects.

31. The processing of repetitive membership data should include initial preparation on machine readable attendance cards.
32. Monthly visitation reports are recommended to include reporting of data keyed to objectives and efficiency and effectiveness ratios.

33. Computer based processing is recommended for visitation data, as well as financial data.

34. Objective (goal) oriented monthly attendance reports are recommended.

35. Recommendations are made for the training of church personnel in the development and use of information systems including inhouse training, extension courses, and seminars.

36. Recommendations are made that the computer process and assign visitation data.

37. It is recommended that an external information system be established which aids large churches in making internal decisions. The current structure of reporting does not provide information of an "industry average" nature.

It is concluded in Chapter V that:

1. Church information systems are not based upon clearly stated objectives.

2. That adequate internal controls are not provided for by the system.

3. That adequate comparative information is not provided by the system.

4. That the basic principles of budgeting are adhered to.
5. That information provided by the system is inadequate to allow optimal decisions with respect to return on investment of excess cash funds.

6. Information reported to internal decision makers is poor in meeting their needs.

7. Personnel are not adequately trained in the preparation and use of information.

It is recommended that future research projects on large denominations be continued utilizing the basic methodology used in this study. Each new study will provide a piece to a puzzle that will probably end in a decade or so with some Financial Accounting Standards Board Statements on the principles of accounting.

Nonprofit accounting is a relatively untouched area of research and church accounting is an almost void area of research.
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APPENDIX

PROGRAMMED QUESTIONNAIRE USED AS A TOOL
FOR BEGINNING RESEARCH IN
CASE STUDY CHURCHES

A. GENERAL QUESTIONS

1. In general has your overall church attendance been increasing or decreasing during the last four years?
   - increasing
   - decreasing

2. In relation to other outreach programs, would you classify your outreach program as (check one in each group):
   - very active   - very effective
   - fairly active   - fairly effective
   - not very active   - ineffective
   - don't have one

3. Rate the adequacy of your training in the field of church management.
   - none
   - poor
   - adequate
   - excellent

4. Rate the adequacy of your training in the field of information systems design.
   - none
   - poor
   - adequate
   - excellent

5. Rate the adequacy of your training in ability to use accounting report.
   - none
   - poor
   - adequate
   - excellent

6. Rate the adequacy of the training of the average decision maker in your church in ability to use information provided to him.
   - none
   - poor
   - adequate
   - excellent
(Question No. 7 is for the treasurer only)

7. Which of the following did you use as a guide when you first became chief accountant?

   ___ personal training in the form of formal courses in bookkeeping
   ___ personal training in the form of church administration courses
   ___ training by previous officer
   ___ following written procedures for the previous system
   ___ used a manual or guidebook
   ___ used any book written on church accounting and finance
   ___ advice from certified public accountant
   ___ advice from any accountant
   ___ other

8. Every sound management information system is based upon the objectives and goals of the organization. Do you feel that the information system of your church was definitely planned in such a way to help the church organization meet its objectives and goals?

   ___ yes
   ___ no

9. Do you feel that the management information system of your church is continually reviewed in such a manner as to assure that the management information system is based on the objectives and goals of the church?

   ___ yes
   ___ no

10. Is the overall mission or objective of your church stated in writing?

    ___ yes
    ___ no

11. The overall missions or objectives of the church congregation as a whole are which of the following? (More than one may be checked)

    ___ to reach people through an active local outreach program
    ___ to reach people through world missions
    ___ to provide an atmosphere of worship and Christian fellowship in various programs so the local community can have opportunity to accept Christ
    ___ to provide an atmosphere of worship and Christian fellowship for the present church membership
    ___ to provide an atmosphere and to aid in helping members minister to each other
    ___ all of the above
    ___ other
    ___ none of the above
    ___ grow and mature as a Christian in specific areas such as mission recreation
12. Rate the items a through e in question 11 in order of primacy of objective of your local church unit in the space marked 1 below and the second most important in the space marked 2 and so on until each letter has been placed in one of the six spaces below.

1. ______
2. ______
3. ______
4. ______
5. ______
6. ______
7. ______ cannot be rated—all are equally important

13. Has the mission or objective of your church been formally adopted by a vote of the church membership?
   _____ yes
   _____ no

14. Do you feel that the overall mission or objective of your church has been clearly communicated to each employee?
   _____ yes
   _____ no

15. Do you feel that a continuing conscientious effort on the part of persons in charge of the church management information system is made to assure that you are provided with the best information to make the decisions you make in your position?
   _____ yes
   _____ no
   Would you rate the information provided as:
   _____ poor
   _____ adequate
   _____ excellent

16. The general objective of the pastor is which one(s) of the following?
   _____ to reach people for Christ through the administration of an active outreach program
   _____ to minister to the people within the church through sermons
   _____ to lead in the provision of good church fellowship
   _____ all of the above
   _____ other

17. Were you provided with a job description when you first started work?
   _____ yes
   _____ no

18. When you first started work were you shown your job objective in writing?
   _____ yes
   _____ no
19. When you first started work did you have explained to you your job objectives?
   _____ yes
   _____ no

20. Every information system must have a system of checks and balances to assure that it is functioning in the intended manner. Do you feel that adequate checks and balances have been provided for by your accounting information system?
   _____ yes
   _____ no

21. Last year your church was audited by:
   _____ church members
   _____ local church officers
   _____ denominational representatives
   _____ independent public accountants
   _____ independent certified public accountants
   _____ not audited

22. In order to determine how well one organization is doing, it is often thought to be a good procedure to compare the results of organizations activities with results of similar organizations activities for the same period of time. Do you feel that information is provided by your church information system which enables you to make effective comparisons with other churches?
   _____ yes
   _____ no

   What type of comparative information is provided by your information system?
   _____ none
   _____ poor
   _____ adequate
   _____ excellent

23. Does information flow into your office which allows you to make meaningful comparisons with other churches as a basis for taking corrective action?
   _____ yes
   _____ no

   Does the information flow in on a regular basis?
   _____ yes
   _____ no

24. Does your information system provide any data which would indicate how effectively you achieve your job objectives?
   _____ yes
   _____ no
25. Is the information received by you related to job effectiveness:
   ______ received in the form of informal verbal comments
   ______ received in the form of formal verbal comments
   ______ quantified information which is in the form
effectiveness ratios or degree of acceptability of the
congregation.
   ______ quantified in terms of souls saved

26. Is there any quantified standard by which you compare your job
effectiveness with job effectiveness of other employees in other
churches holding the same position as you hold?
   ______ yes
   ______ no

27. Is the number of professions of faith in your church provided
by your information system?
   ______ yes
   ______ no
Is the number compared with professions of faith in other
similar size churches?
   ______ yes
   ______ no
Has corrective management action ever been taken as a result of
this direct comparison?
   ______ yes
   ______ no

28. The preparation of budgets based upon sound principles of
budgeting and the administration of the budget according to
these principles is considered sound practice for most
organizations including not-for-profit organizations. Do you
feel that the preparation and administration of the budget in
your church is adequate?
   ______ yes
   ______ no

29. Are the premises upon which the budget is based put in writing?
   ______ yes
   ______ no

30. Is your budget anchored firmly in a foundation of church planning?
   ______ yes
   ______ no

31. Does your church have a clear-cut organization structure?
   ______ yes
   ______ no

32. How would you rate the attitude of your key personnel toward the
budget in your church?
   ______ poor attitude
   ______ good attitude
   ______ excellent attitude
33. Reports of variances from the budgeted spending are reported to departments of the church on the basis of:
   - monthly
   - quarterly
   - semiannually
   - upon request by the department
   - no comparisons with the budget are made

34. Is the budget of your church prepared for a period of:
   - monthly
   - quarterly
   - semiannually
   - annually
   - more than one year

35. Which of the following steps or procedures are taken when there is a deviation from the budget?
   - subordinates are censored for exceeding the budget
   - subordinates are highly commended for staying below the budget
   - subordinates are neither censored or commended based on the budget figures
   - next year's budget is adjusted downward or upward based upon the variance
   - an investigation is made and a conclusion reached as to why the variance occurred
   - an investigation is made and a conclusion reached and a formal report is made as to why the variance occurred
   - if it is apparent the budget has been exceeded a fund-raising program is begun

36. Is your budget system used as a means for setting standards of performance, for measuring actual results, and for guiding church management to satisfactory achievement of goals?
   - yea
   - no

37. Is the budget for your function determined:
   - by you alone
   - by the budget committee alone
   - by consultation between you and the budget committee

38. Could your budget be a more effective instrument of control if:
   - people administering the budget were trained in matters concerning budget administration
   - people making decisions on the basis of budgetary data were better trained in the meaning of what the budget is
   - only one knowledgable person was in charge of budget preparation and completion and administration
   - other
   - no improvement is necessary
39. Is it your opinion that the budget control in your church is:
   ____adequate
   ____inadequate
   ____excellent

40. Sound investment of excess cash funds is considered a mandatory element of sound management. Are excess funds wisely invested on the basis of current market returns?
   ____yes
   ____no

41. Has there been any occasion to your knowledge when there was excess cash on hand (excess cash on hand means cash received which is not presently needed for the carrying on of normal activities)?
   ____yes
   ____no
   What usually happened to this cash?
   ____it stayed in the checking account until it was needed
   ____it was invested in some form of savings account at a financial institution
   ____it was invested in marketable securities (common stock, bonds, etc.)
   ____other

42. Is it standard procedure when large excess balances of cash are on hand to contact a financial expert for information on what to do with the excess balances?
   ____yes
   ____no

43. Does the church information system provide for the keeping of records on successes of investments of excess cash balances?
   ____yes
   ____no

44. Are successes and failures of investments reported to the membership of the church?
   ____yes
   ____no

45. In order to make sound decisions it is necessary to have the best and most timely information available. Do you feel that information reported to the pastor, minister of education, minister of music and various other administrative officers of the church is, in general:
   ____poor
   ____adequate
   ____excellent
46. Many organizations desire that information be provided which allows a determination of the degree of effectiveness of church organization and the various programs. Do you feel that your information system provides adequate information about the effectiveness of the overall church program?
   ____ yes
   ____ no

About the effectiveness of the individual programs in the church?
   ____ yes
   ____ no

47. In your opinion which of the following areas need improvement in your church?
   ____ standards for the accounting information provided
   ____ standard bookkeeping procedures provided
   ____ budget control and planning
   ____ reporting practices
   ____ uses made of reports
   ____ none of the above
   ____ other__________________________
B. INTERNAL CONTROL QUESTIONS

(Questions in the internal control section were developed basically by Dan Guy and adapted for this study.)

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td><strong>GENERAL</strong></td>
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<tr>
<td>1. Is the church organization clearly displayed in an organizational chart?</td>
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<td>a. Is there a church business administrator? (Person's name)</td>
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<td>b. Is there a bookkeeper responsible for recording financial information? (Person's name)</td>
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<td>c. Is there a treasurer? (Person's name)</td>
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<td>d. Is there a finance committee?</td>
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<tr>
<td>e. Is there a budget committee?</td>
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<td>f. Is there a counting committee responsible for counting contributions collected?</td>
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<td>g. Is there an offering (ushering) committee responsible for collecting contributions from the church congregation?</td>
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<td>h. Is there a designated person responsible for the church purchasing function? (Person's name)</td>
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<td>2. Is there a separate internal auditing committee? (Briefly describe any such arrangement in work papers.)</td>
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<td>3. Is the church audited by an independent CPA firm annually?</td>
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<td>4. Does the church denomination publish and distribute a church financial administration procedures manual or recommended guidelines prescribing the minimum requirements for:</td>
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<tr>
<td>a. An accounting system (bookkeeping records)?</td>
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<td>b. Financial reporting formats?</td>
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<tr>
<td>c. A budgetary system?</td>
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<tr>
<td>d. Internal control procedures?</td>
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<td>e. Periodic audits by external Certified Public Accountants?</td>
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<td>Question</td>
<td>ANSWER</td>
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<td>5. Is there an operating or procedures manual which lists precisely and completely the duties and responsibilities assigned to:</td>
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<td>a. Each committee?</td>
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<td>b. Each member within a committee?</td>
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<td>c. Individuals not on a committee?</td>
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<td>d. Does the manual describe internal review procedures to be performed in order to determine whether or not the duties and responsibilities are being adequately accomplished?</td>
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<td>6. Are all employees in positions of trust bonded?</td>
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<td>7. Are known relatives employed in such a manner as to make collusion improbable?</td>
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<tr>
<td>8. Are expenditures controlled through the use of a budget system? Briefly describe the system in work papers.)</td>
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<tr>
<td>a. Is a copy of the church budget distributed to the membership?</td>
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<td>b. Is a stewardship pledge card system used to determine the projected revenue receipts in budget planning?</td>
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<td>9. Is a prenumbered envelope system used by the church membership to submit their contributions?</td>
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<tr>
<td>10. Is a double entry bookkeeping system used?</td>
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<tr>
<td>a. Is a numbered chart of accounts used in bookkeeping for recording receipts and disbursements?</td>
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<td>b. Are all required journal entries prepared by the bookkeeper and approved by another designated person before actual recording?</td>
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<tr>
<td>11. Are entries made in the financial records supported by specific documentation?</td>
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<tr>
<td>a. Are members' contribution envelopes retained for at least a year?</td>
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<tr>
<td>b. Is the content amount of each envelope recorded on the envelope at the time of opening?</td>
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<td>c. Are purchase orders signed by designated persons and retained for at least a year?</td>
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<td>d. Are cancelled checks retained for at least a year?</td>
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<td>Question</td>
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<td><strong>12.</strong> Is the general ledger kept up-to-date and balanced at least monthly?</td>
<td>Yes No Remarks</td>
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<tr>
<td><strong>13.</strong> Is a monthly financial report prepared showing the church financial status?</td>
<td>Yes No Remarks</td>
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<tr>
<td>a. Does the monthly financial report show cumulative amounts for the year-to-date?</td>
<td>Yes No Remarks</td>
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<tr>
<td>b. Are the annual budget amounts shown in the monthly financial report for comparative purposes?</td>
<td>Yes No Remarks</td>
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<tr>
<td>c. Is the monthly financial report distributed to the church membership?</td>
<td>Yes No Remarks</td>
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<tr>
<td><strong>14.</strong> Does more than one designated person process a church financial transaction? (Example: one person approves expenditures, another disburses the money and another enters the disbursement in the financial records.)</td>
<td>Yes No Remarks</td>
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<tr>
<td><strong>CASH RECEIPTS</strong></td>
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<td><strong>15.</strong> Mail receipts:</td>
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<tr>
<td>a. Is the mail opened by someone other than the bookkeeper?</td>
<td>Yes No Remarks</td>
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<tr>
<td>b. Is a record prepared in triplicate of the amounts of money and checks received by the person opening the mail?</td>
<td>Yes No Remarks</td>
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<td>c. Is a record of receipts given to someone in addition to the bookkeeper for independent verification of the amount recorded?</td>
<td>Yes No Remarks</td>
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<td>d. Are each day's mail receipts deposited intact by the end of the day?</td>
<td>Yes No Remarks</td>
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<tr>
<td>e. Is the person handling mail receipts responsible for receipts from the time they are received in the office until deposited in the bank?</td>
<td>Yes No Remarks</td>
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<td><strong>16.</strong> Are the duties of the bookkeeper separate from any cash handling functions?</td>
<td>Yes No Remarks</td>
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<tr>
<td>a. Is the church bookkeeper required to take a vacation annually?</td>
<td>Yes No Remarks</td>
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<tr>
<td>b. Does another designated person perform the bookkeeping duties while the regular bookkeeper is on vacation?</td>
<td>Yes No Remarks</td>
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<td><strong>17.</strong> Sunday Collection Receipts:</td>
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<tr>
<td>a. Are all Sunday collections counted and deposited the same day? (If not, briefly describe procedure in work papers.)</td>
<td>Yes No Remarks</td>
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<tr>
<td>Question</td>
<td>ANSWER</td>
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<tr>
<td>b. Is the system for safeguarding contributions between the time they are collected until they are counted adequate? (Briefly describe the system used in work papers.)</td>
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<td>c. Is the receipt of currency, relative to total collections, insignificant?</td>
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<td>d. If loose offerings can be identified (i.e., checks), are envelopes prepared for posting to member accounts?</td>
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<td>e. Does more than one person count the cash collection?</td>
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<td>f. Is cash collection counted at the church?</td>
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<td>g. Is cash counted in a limited access area?</td>
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<td>h. Are other security procedures utilized during the cash count? (Example: armed guards, burglar alarm system, window curtains closed, etc.)</td>
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<tr>
<td>i. Are members of the counting committee rotated or replaced periodically?</td>
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<tr>
<td>j. If committee members are not rotated are they required to take vacations annually?</td>
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</tbody>
</table>
| k. Is a record of collection report prepared by the counting committee showing:  
(1) The amount of currency and silver counted? |        |
<p>| (2) The amount of checks counted? |        |
| (3) The total amount of receipts? |        |
| (4) A subtotal of amounts recorded on membership envelopes? |        |
| (5) Subtotal(s) of amounts specially designated? |        |
| (6) A subtotal of other amounts collected? |        |
| l. Is the record of collection report prepared in triplicate? |        |
| m. Does the bookkeeper receive a copy of the collection report and the contribution envelopes directly from the counting committee? |        |
| n. Does the bookkeeper reconcile the envelope amounts to the membership envelope subtotal on the collection report, before posting the amounts? |        |
| o. Does the church business administrator or finance committee receive a copy of the collection report from the counting committee? |        |</p>
<table>
<thead>
<tr>
<th>Questions</th>
<th>ANSWER</th>
</tr>
</thead>
<tbody>
<tr>
<td>18. Are all collections including mail receipts counted before being placed in a safe, vault or night depository for overnight security?</td>
<td>Yes</td>
</tr>
<tr>
<td>19. Do two or more designated church members go together to physically make a deposit of money in the bank?</td>
<td>No</td>
</tr>
<tr>
<td>20. Does more than one person collect contributions from the various Sunday School classes?</td>
<td>No</td>
</tr>
<tr>
<td>21. Are Sunday School class offerings placed in a bag and locked, or placed in envelopes and sealed, in the presence of class members?</td>
<td>No</td>
</tr>
<tr>
<td>22. Is undeposited cash controlled by more than one person utilizing dual access procedures?</td>
<td>No</td>
</tr>
<tr>
<td>23. Is an independent record of undeposited cash maintained separate from those who are in control of the cash?</td>
<td>No</td>
</tr>
<tr>
<td>24. Are entries made to individual member accounts and designated fund accounts directly from the contribution envelopes?</td>
<td>Yes</td>
</tr>
<tr>
<td>a. Is mechanical equipment (posting machines) used to record member contributions to individual member accounts?</td>
<td>Yes</td>
</tr>
<tr>
<td>b. Are all contribution entries, including adjustments, made to members' subsidiary ledger accounts by the same machine?</td>
<td>Yes</td>
</tr>
<tr>
<td>c. Are members subsidiary ledger accounts reconciled monthly to a membership contributions control total?</td>
<td>Yes</td>
</tr>
<tr>
<td>d. Do church members receive periodic notice(s) as to the amounts they have contributed?</td>
<td>Yes</td>
</tr>
<tr>
<td>e. Does the statement of member contributions include each member's pledged amount for comparison purposes?</td>
<td>Yes</td>
</tr>
<tr>
<td>f. Are members encouraged to notify a designated individual or committee when they statement of contributions in incorrect?</td>
<td>Yes</td>
</tr>
<tr>
<td>Questions</td>
<td>ANSWER</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
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</tr>
<tr>
<td><strong>25. Deposit tickets:</strong></td>
<td></td>
</tr>
<tr>
<td>a. Are deposit slips prepared in triplicate?</td>
<td></td>
</tr>
<tr>
<td>b. Is a duplicate deposit slip, authenticated by the bank, received by an individual independent of the person who makes the deposit?</td>
<td></td>
</tr>
<tr>
<td>c. Are authenticated deposit slips compared with the counting committee's cash receipts total?</td>
<td></td>
</tr>
<tr>
<td><strong>CASH DISBURSEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>26. Check Control:</strong></td>
<td></td>
</tr>
<tr>
<td>a. Are checks prenumbered?</td>
<td></td>
</tr>
<tr>
<td>b. Is sequence of check numbers accounted for?</td>
<td></td>
</tr>
<tr>
<td>c. Are voided checks kept and filed?</td>
<td></td>
</tr>
<tr>
<td>d. Is check stock under adequate control inaccessible to everyone except the person preparing checks?</td>
<td></td>
</tr>
<tr>
<td>e. Is a check protector used?</td>
<td></td>
</tr>
<tr>
<td>f. Is there a limit on the amount for which checks can be written before additional approval is required?</td>
<td></td>
</tr>
<tr>
<td><strong>27. Signatures:</strong></td>
<td></td>
</tr>
<tr>
<td>a. Are authorized signatures limited to personnel who are not directly concerned with the handling of:</td>
<td></td>
</tr>
<tr>
<td>(1) Accounting records?</td>
<td></td>
</tr>
<tr>
<td>(2) Cash receipts?</td>
<td></td>
</tr>
<tr>
<td>(3) Petty cash funds?</td>
<td></td>
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<tr>
<td>b. Is the signing or counter-signing of checks in advance prohibited?</td>
<td></td>
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<tr>
<td>c. Is practice of drawing checks to &quot;Cash&quot; prohibited?</td>
<td></td>
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<tr>
<td>d. Where a mechanical check signer is used, is the signature die under adequate control?</td>
<td></td>
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<tr>
<td>e. Are dual signatures of designated personnel required on all checks?</td>
<td></td>
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<tr>
<td>f. Are names of individuals authorized to sign checks recorded in church business records?</td>
<td></td>
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<tr>
<td>g. Does supporting data accompany checks when they are submitted for signature?</td>
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<tr>
<td><strong>ACCOUNTS PAYABLE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>28. Are accounts payable machine-posted? (Briefly describe payables system in work papers.)</strong></td>
<td></td>
</tr>
</tbody>
</table>
29. Are details of accounts payable regularly reconciled to general ledger control?

30. Are vendors' statements regularly compared with recorded liabilities by persons other than bookkeeper?

31. Are adjustments to recorded accounts payable required to be supported by approval of a designated individual?

PURCHASES AND EXPENSES

32. Is a purchase order system used? (If not, briefly describe the purchasing system in the work papers.)
   a. Are purchase order vouchers prenumbered and controlled by a designated individual?
   b. Is the purchasing function separated from:
      (1) the accounting function?
      (2) person(s) authorized to sign checks?
   c. Are purchase order vouchers prepared for all purchases and expense items?
   d. Is the purchase order prepared in triplicate?
   e. Is a receiving report prepared in duplicate, whenever purchased goods are physically received?

33. Are vendors' invoices approved for payment by a designated person separated from:
   a. the purchasing function?
   b. the bookkeeping function?
   c. person(s) authorized to sign the checks?

34. Are prices and quantities on vendors' invoices compared to those listed on the related purchase orders?

PAYROLL FUNCTION

35. Briefly describe the payroll system in the work papers.

36. Check payrolls:
   a. Are checks prenumbered and accounted for?
   b. Are unused checks kept in a locked container under the control of the person that prepares checks?
<table>
<thead>
<tr>
<th>Questions</th>
<th>ANSWER</th>
<th>Yes</th>
<th>No</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>c. Are checks signed by individuals who do not participate in:</td>
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<tr>
<td>(1) the preparation of the payroll?</td>
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<td>(2) custodianship of cash funds?</td>
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<tr>
<td>(3) maintenance of accounting records?</td>
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<tr>
<td>d. Are payroll disbursements made from bank account restricted solely for that purpose?</td>
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<tr>
<td>e. Are checks written on machines with automatic total capability?</td>
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<td>f. Are payroll reconciliations made by individuals whose duties are unrelated to the preparation and recording of the payroll?</td>
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<tr>
<td>37. Cash payrolls:</td>
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<tr>
<td>a. Are signature receipts obtained from employees to acknowledge amount received?</td>
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<tr>
<td>b. Is person responsible for disbursing the cash payroll independent of the person preparing the payroll?</td>
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<tr>
<td>c. Are payroll disbursements made from a bank account restricted solely for that purpose?</td>
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<tr>
<td><strong>CASH IN BANK</strong></td>
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<tr>
<td>38. Bank reconciliations:</td>
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<tr>
<td>a. Are bank reconciliations prepared by someone who has had nothing to do with cash procedures, including the signing of checks?</td>
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<tr>
<td>b. Does person reconciling account obtain statements and cancelled checks in sealed envelopes from bank?</td>
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<tr>
<td>c. Are cancelled checks examined for date, name, amount and endorsements?</td>
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<td><strong>CASH ON HAND</strong></td>
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<td>39. Is the petty cash fund system used? (If not, describe system in the work papers.)</td>
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<td>40. Is custodianship for each fund vested in only one person?</td>
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<td>41. Is the petty cash custodian independent of individuals who handle contributions from members and other cash receipts?</td>
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<td>42. Are the accounting records inaccessible to the petty cash fund custodian?</td>
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<tr>
<td>Questions</td>
<td>ANSWER</td>
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<td>--------------------------------------------------------------------------</td>
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<td>43. Does the petty cash fund custodian obtain supporting evidence of all disbursements made from the fund?</td>
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<td>44. Supporting evidence:</td>
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<td>a. Executed in ink or in such manner as to make alterations difficult?</td>
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<td>b. Are amounts spelled as well as written in numerals?</td>
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<td>c. Approved by an authorized person?</td>
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<td>d. Cancelled at the signing of the reimbursement check to prevent reuse?</td>
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<td>45. Are funds audited by frequent and surprise counts by an independent designated individual?</td>
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<tr>
<td>46. Is personal check cashing prohibited in using petty cash funds? (If not, describe related control procedures in work papers.)</td>
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<tr>
<td>47. Has the church ever had a loss of funds as a result of embezzlement or misappropriation of funds by members or employees? (Briefly describe circumstances in work papers.)</td>
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<tr>
<td>48. Has the church ever had a loss of funds as a result of robbery or illegal entry of church property? (Briefly describe circumstances in work papers.)</td>
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<tr>
<td>49. Were current internal control procedures revised subsequent to loss of funds? (Reference preceding question).</td>
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</tbody>
</table>

**MISCELLANEOUS**

50. Does the church have fire and casualty insurance on its property?
VITA

Lucian Gideon Conway, Jr. was born in Lecompte, Louisiana, on April 16, 1947. He graduated from Pineville High School, Pineville, Louisiana in 1965. In 1970 he received a Bachelor of Science degree from Louisiana Tech University, Ruston, Louisiana. In 1971 he received a Master of Business Administration degree from Louisiana State University in Baton Rouge, Louisiana. Mr. Conway passed the Certified Public Accountants Examination in May, 1971. He is now a candidate for the Doctor of Philosophy degree in August, 1975.
EXAMINATION AND THESIS REPORT

Candidate: Lucian G. Conway, Jr.

Major Field: Accounting

Title of Thesis:
Church Information Systems: An Empirical Investigation of the Effectiveness of Church Information Systems in Providing Data for Decisions

Approved:

[Signature]
Major Professor and Chairman

[Signature]
Dean of the Graduate School

EXAMINING COMMITTEE:

[Signatures]

Date of Examination:
June 30, 1975