

Church Finances and Leadership Conflicts in Selected Africa Inland Churches in Nairobi and Makueni Counties, Kenya

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Abstract

Senior church leaders who are mostly in control of the finances govern many churches in Africa. Research shows that mismanagement of church finances often leads to church splits. It is against this backdrop that the study sought to determine the relationship between church finances and leadership conflicts in selected Nairobi and Makueni Africa Inland Churches-Kenya. Specifically, the study explored financial misappropriation and its link to leadership conflicts. The study employed an interdisciplinary approach and purposefully selected 4 churches, yielding a sample of 24 respondents. Primary data were collected using questionnaires and a semi-structured interview guide. The data were qualitatively analyzed using MS Excel and NVivo 11. The findings revealed that financial misappropriation stems from the belief that the church belongs to God and the money belongs to everybody. Withdrawing money without ratified usage also causes conflicts. Different churches had different reasons for withdrawing money from the account. Other conflicts are caused by differences in understanding of church operations and the understanding of the Word of God. Based on the study's findings, the best way to avoid leadership conflicts over financial matters is to prevent misappropriation.

Keywords: *Church Finances, Financial Misappropriation, Leadership Conflicts, Nairobi and Makueni Africa Inland Churches*

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1. Introduction

Churches worldwide rely heavily on financial and material offerings from the congregation or members as the main source of income to support ministry budgets (UCC handbook 2010, 22). However, church finances can be a source of comfort or conflict in the ministry. Church conflicts stem from many sources, one of which is unresolved leadership differences (Barthel & Edling, 2012, p. 16). Some leadership differences are associated with power struggles (Lewis, 1956, p. 197), yet the literature is scant on the relationship, if any, between church finances and leadership conflicts. While the Africa Inland Church (AIC) denomination has existed without major splits, there have been severe leadership wrangles that continue to threaten the church's unity to this day. For example, clinging to power to the extent of

instigating constitutional reviews to accommodate prolonged leadership terms; lobbying to remain in power during elections, and “elbowing” out some leaders to drive ulterior agendas that contribute to the conflicts. Given these wrangles, there is a need to investigate whether church finances bear on leadership conflicts.

In the face of endless efforts by church leaders to effect change amid unresolved leadership conflicts, many pastors have left the AIC denomination in Kenya and started their own ministries. A splinter group at one point threatened to tear the denomination into two (DCC, 2001, 11). This scenario demands urgent attention to help maintain the unity of the church that has existed since 1895. Aware that many factors contribute to conflicts, there is a great need to understand the role of church finances in leadership conflicts, given how exceedingly rare it is to engage in a transparent discussion of money.

Even though God desires unity in His church in spirit and purpose, divided churches are common (Martin, 1993, p. 12). It is common to find fights within and among churches due to the overt materialism in contemporary society. These conflicts get in the way of Christian witness because of the damages wrought by conflicts. Within the AIC in Kenya, most conflicts are at the leadership level, with the root causes not comprehensively understood or documented. I assume that some of the conflicts are finance-related.

The handling of church funds by designated church leaders determines the church's survival. However, there is suspicion that greed is taking center stage and that carelessness among top leaders is sparking leadership conflicts (DCC 2000, 15). The study seeks to investigate whether there is evidence of financial mishandling and lack of transparency as potential sources of leadership conflicts. These conflicts affect members of the church, making it hard to trust the leadership with their financial giving (RCC, 2002, p. 18). It is therefore prudent for leaders to take stock of what is important in running the church. Though conflicts are a global problem, AIC Kenya appears to be an organization with many such crises, with divisions at the top leadership trickling down to other church leaders. There is documentation showing that local churches such as AIC Kawala, AIC Muthyo, and AIC Kibera, among others, have experienced internal conflicts that have led to splits (DCC 2002, 19; 2005, 23). Demands by some local churches to control all finances, to teach false doctrines, and to undermine central denominational leadership have contributed to these disagreements. While there are many possible causes of church conflicts and that not all, not all of which result from financial mismanagement, this study focuses only on the link between finances and conflict in the church.

Some local church leaders are demanding operational autonomy from denominational leadership hierarchies, which may be informing the antagonism. The question remains: Is the call for autonomy financially connected? A careful investigation of the relationship between church finances and leadership conflicts is ideal. Hartley observes, “Economic problems make a common denominator among differing religious groups” (1984, ix). Though Hartley’s meaning of ‘economic problems may primarily refer to a lack of financial income, he clarifies that finances play an important role in the life of the church. It is against this backdrop, and in a bid to be intentional about prevention rather than reaction, that this research was warranted to investigate the relationship between church finances and leadership conflicts in the 21st Century AIC-Kenya.

2. Literature Review

Church conflicts originate from different avenues. One known cause of conflict is controversy, which may arise from doctrinal differences or financial misappropriations (Dobson, Speed and Marshall, 1992, 148-150). Haugk, in his book *Antagonists in the church: How to Deal with Destructive Conflict* (1988), shows how congregational leaders can learn to prevent or reduce much of the pain and suffering caused by antagonism; tell the difference between constructive, healthy conflict and destructive antagonism; and cope with antagonism when it arises. In other words, it is okay to have conflicts, but it is better to handle conflicts positively.

Thus, it is important for leaders to identify their conflict management styles and strategies to understand how best to address emerging conflicts, thereby informing their decisions to increase tolerance for difference and improve internal relationships (Leas & Kittlaus, 1973). For example, the problems of a middle-sized church are different from those of a small or large church. Problems arising from fellowship, staffing, decision-making, and finances vary across church sizes (Schaller, 1979, pp. 121-124).

In the book *Peace Makers, 2009*, Dixon sees ethnic, cultural, and religious identity, unequal economic development or access to livelihoods and resources, marginalization, international pressures, and ideological differences, among others, as major causes of conflict. Christianity is part of conflict resolution rather than a cause of conflicts; hence, conflicts that split churches are, regardless of the cause, unacceptable, sad, and devastating. They distress and dismay mature believers and disillusion new believers, cause havoc in the lives of pastors and their families, and bring reproach upon the name of Christ.

The causes of church conflict are so complex that it is hard to determine the real issue. They are often associated with disagreements and misunderstandings among pastors, elders, and deacons; high expectations of others that lead to disappointment; feelings of hurt and resentment; manipulation of church finances by leaders for their own ends; and pride in rule-keeping. Ill-treatment of those who do not keep the same rules is another cause of church conflict. Excuses for church conflict are numerous, but they all stem from the same root cause: pride and selfishness.

Though Dixon outlines principles for engaging in violence and resolving conflict, he emphasizes that reconciliation cannot be achieved overnight. He says that Jesus, as the prince of peace, calls us to be peacemakers, directly (through peace campaigning, the armed forces, political engagement, military chaplaincy, diplomacy, or reconciliation work, etc.) or indirectly as we bring Christian values into professional life (as civil servants, politicians, business people). Looking at today's conflicts, with all their horrors, we need to clearly understand the issues at stake and then develop ideas to address them.

According to Dixon, conflicts cannot be resolved by mere negotiations but need attention to the underlying causes. Diplomacy, military peacekeeping operations, or mediation and provision of temporary settlements can never give sustained stability. Comprehensive policies are needed to achieve reconciliation, which may take years, decades, or even generations.

Though the Church may not have all the answers to conflicts, reconciliation is always the right place to begin. First, people need to be reconciled with God, then with themselves, their neighbor, and finally with creation, between communities and nations. None of these can be fully complete until Christ comes again. It is a slow process with many hurdles, but Christians

ought to keep on, having confidence in God who is able to do immeasurably more than all we can ask or imagine (Ephesians 3:20).

Dixon demonstrates what conflicts are and how they arise. He outlines ethnic, cultural, religious, ideological, resource, and inequity as elements of conflicts. He says that success in what we do calls for humility and dependence on God. Dixon offers a Christian perspective from which one can analyze conflict and its justification, and explore effective ways for third parties to help bring peace and reconciliation to the differing sides. He answers the question of *why* we should work to bring peace and stability, and *how* we can or should get involved. It is in answering the latter question that he brings his own first-hand experience and insights on intervention in violent conflicts. He spells out the need for a concerted peacemaking effort and lists the necessary steps towards building sustainable peace. In this regard, he introduces and discusses the concept of relational peace-building, with its aim of finding the ‘holy grail’ of reconciliation, the meaning and challenges of which Dixon expounds on with finesse and pragmatism from both secular and Christian perspectives.

3. Methodology

The study adopted an interdisciplinary qualitative methodology to examine the relationship between church finances and leadership conflicts among selected Africa Inland Church (AIC) congregations in Kenya. A qualitative descriptive survey design was used, guided by a single core research question focused on financial misappropriation and its link to leadership conflicts. The target population comprised the AIC denomination in Kenya, from which a purposive sample of eight churches, four urban (Nairobi region) and four rural (Nzau region), was selected due to their history of financial-related conflicts. The final sample included 24 key informants: pastors, treasurers, and long-serving members, all of whom had firsthand experience with leadership conflicts.

Data were collected over three months using semi-structured key informant interviews and a documentary review of AIC archival materials and relevant literature. The interview guide was pilot-tested and expert-reviewed to ensure clarity, relevance, and adequacy in addressing the research questions. Ethical considerations were strictly observed through informed consent, anonymity, use of pseudonyms, and secure handling of data. Qualitative data were transcribed and analyzed using NVivo 11, employing open and axial coding to generate categories and themes, while limited quantitative summaries from closed-ended questions were analyzed in SPSS. The analysis process was iterative and thematic, leading to the emergence of key themes, including links between finance and conflict.

4. Results

4.1 Financial Misappropriation-Nature of Keeping Money

This section is guided by the question, “*How does financial misappropriation happen? Has misappropriation of church finances contributed to leadership conflicts in the selected AIC’s?*” Under this section, several categories were identified while analyzing how financial misappropriation occurred and whether it ever led to financial conflicts. Several codes emerged during initial coding, and further examination of the codes resulted in the clustering of the codes into the following categories:

- Benefits of keeping money;
- Handling of church finances;

- Why should you refuse while the money is not yours;
- Causes of conflicts- how are finances linked to the conflicts;
- Consequences of conflicts;
- Effects of misappropriation of money;
- The relationship between transparency and giving levels;

All these codes/nodes in NVIVO 11 helped to build the theme of “nature of keeping money”. The nature of keeping money encompasses the benefits of keeping money, the causes of conflicts, the consequences of conflicts, the effects of misappropriation of money, and the relationship between transparency and giving levels.

From the analysis, 7 participants responded to the nature of keeping church money. The nature involved constant prayers, importance of keeping money, being the same both before conflict and after conflicts, ready to face resistance, expected to perform unclear tasks, expected to do wrong things, individual challenges or temptation emerge, expected to favor some people, experience deficits, accountability is key, manage funds in behalf of the church, it is a great commission.

4.1.1 Benefits of keeping money

The benefits of keeping church money are primarily spiritual. All the participants involved in handling money directly (6/8 treasurers) stated that there is “no financial benefit” in keeping God’s money, but spiritual benefits are evident. Participants stated that “the benefit is to work and God pays”, and you get “closer to God.”

Seven out of eight long-serving members reported not receiving any benefit from the church for serving in the positions they held. Some positions were responsible for the church treasury. This seemed to have happened because of their long years of experience and service to the church, making them officials in their respective churches. From the treasurers and long-serving church members, it is clear that there are no financial benefits attached to the positions they hold.

Nature of serving God

The nature of “serving God” involves support from church members, which can be psychological, spiritual, social, or economic, such as support for “paying school fees.” The 8 respondents stated the following as the “blessings involved in serving God as pastors”. These include having “tokens” from DCC, such as “monthly salary,” experiencing God’s blessing and miracles, “opportunity to relate with people of different backgrounds, environment, and careers,” “get exposed at no cost,” and get to learn and become wiser.

4.1.2 Causes of conflicts

As part of the nature of “keeping the church’s money”, I sought to learn more about the causes of conflict.

Misplaced priorities

Seven (7) out of 24 participants identified misplaced priorities as an issue of concern, which leads to conflicts. The spending is not prioritized: “Some people think that allocating money for some issues is not very important compared to others.” “Misplaced priorities” refers to

situations in which funds collected for one project are diverted to another without refunding the original funds. “Misplaced priorities” were mentioned and referenced by 16 participants, both treasurers and pastors.

For example, PRURBKMK stated that “Money is used for other projects and never replaced, hence members complained that the elders have taken their funds.” The people responsible would use different excuses for not giving out the money. The treasurer says that you would have given him notice. Another element of misplaced priorities was spending money before banking; in paying debts, allowances, and reserves for the pastor could be subtracted, and the rest either kept or banked. These reasons suggest some form of fund misappropriation. This situation led church officials to use designated funds, thereby failing to follow the intended purpose.

When expenditures are made before banking the funds, it seems to create an opportunity for misappropriation of funds, as seen. TRURBKBN responded, “There was a senior pastor who wanted us to reserve some money for him. Before we did anything with the collected money, he would demand a certain amount of the money for himself.”

This means that, because a long process is involved in withdrawing money from the bank, the easier way to access funds for other purposes not prioritized is to make a “payment” before it is banked, which, as the seven respondents remarked, resulted in conflicts.

Unclear records

4 participants (out of 24) from 4 churches mentioned unclear records as a reason for conflicts. This means that records were either present and not convincing or absent. This happens when “there ...are no records for funds used”, when “money is given out and not recorded.” This included tithes. In addition, there were cases where money could be spent and accounted for without supporting documents. PRURBKBN stated clearly how this occurred:

During spending, money was given out without receipts or vouchers, making it very difficult to track how it was spent. It was also hard to account for money that would come in and leave the church. PRURBKBN

Unclear records make it hard to track money use, and members may start pointing fingers at each other, saying it is so-and-so who has misappropriated the money. TRRLKLN stated that such a case occurred at his church and that he was accused, but he was later found not guilty. He states it clearly as follows:

I was on the development committee, and we had a treasurer. Who could say that the treasurer had the money and would confirm it, and another could say that the chair had the money. They come to realize that the building treasurer had money. TRRLKLN

Another instance reported was that the money actually collected through fundraising exceeded the amount reported as spent. “Harambees or fundraising, which was done, gave KSH 700,000, but only KSH 300,000 did the work intended for the money.” PRURRLMSN

Banking is less than the money collected

The category of “banking less than what was collected” was mentioned by 4 participants from 4 churches. The participants stated that the banking of less of what was collected is done in different ways. First, there is documentation of lower figures after counting, “write less than what was collected.” Secondly, spending money after counting the banks' less. Thirdly, money

disappears after collection. PRURBJRC reported they were “attacked by armed gunmen who stole all church funds collected on that day.” Another means of stealing is when the amount banked is less than what was counted and recorded at the church level. One respondent said, “What was being written down was less than what was collected. 80,000/= collected and 40,000/= banked.” From the responses, it emerged that in some churches, financial misappropriation happened at the level of counting, recording, and keeping.

Attempts to separate from DCC

Two (2) of the 24 participants stated that attempts to separate from one District Church Council to form a new one or to join another resulted in conflicts. As stated by PRRRLKLN, “They wanted to split this DCC and form another one.” The reason for the formation of the District Church Council was probably financial. PRRRPMLK claimed, “Church members lamented that a lot of money was handed over to the DCC. The secretary supported that issue, and they need to take only KSH 20,000 and not KSH 40,000.”

This seemed to mean that when a church becomes a DCC, then less money would go to the authority above the Area Church Council (ACC). Therefore, being a District Church Council would probably mean more money would be left with the church and might create an opportunity for misappropriation by individuals who wanted to either split to form a DCC or transfer to join another DCC. Another possible scenario would be that money is misappropriated at the DCC level.

Refusing to join the team to do wrong things

Conflicts also arise when an individual or a group of people refuses to support the revolting team in doing wrong. For instance, those who refused to support the formation of a new DCC were sent out of the church, including the pastor and elders who opposed. Also, in some instances, those who wanted to form a DCC left the church and formed it as they saw fit. It is indicated that these groups finally had their way in shaping the DCC, regardless of whether it was procedural or not, or whether there were complaints. As can be seen from TRRRLMLK, “there were complaints, and they said that they wanted a new DCC and the church refused.”

“Why should you refuse while the money is not yours?”

Some church members who brought conflicts by borrowing the church’s money used this phrase. Two participants from 2 churches stated that people have a mentality of using all the church's money. This attitude of misappropriating money stems from the belief that the church belongs to God. TRRRLMLK stated, “When demanding repayment, the person who borrowed the money could tell you that 'this money was not yours and why should you ask me to pay it back? ' I nearly left being a treasurer of this church.”

This was the perception of those who borrowed the church’s money, until conflict arose. Three (3) participants reported that borrowing church money contributed to conflicts. Borrowing was done every Sunday before money was banked. “The money was being borrowed before it was taken to the bank.” There was no clear guidance on borrowing church money, as members could use personal reasons to borrow church money, as can be seen in this response: “I would go to the treasurer, and I would be given, without being asked, what I was going to use the money for. Others would go with personal problems, and they would be given the money.” PRURBKBN.

Withdrawal of money

Withdrawal of money can also cause conflicts. Different churches had different reasons for withdrawing money from the account. Provisions included a stamped letter from the pastor, with only two signatories allowed to withdraw funds. TRRRLMLK stated that it used to happen in their church before the conflict. “Pastor, being fair, there is room for withdrawing, which is through a letter for withdrawal. 2 people can sign.” This situation created an opportunity for a few people to misappropriate the church’s money.

Other reasons which were mentioned by two participants included: *absence of treasurer when money was being counted* made it hard for treasurer to know how much was collected and also hard to control the spending; *having different account run by different authorities not LCC* making it hard for LCC to give an oversight role on usage of church money; *Lack of reporting on expenditures, made it hard to track money withdrawn and how it was used* in whatever purpose and by how much. PRURBKMK states that bills could be paid, but the pastor in charge could not know the amount of money used for a particular item. *Self-interest in cases where church members would want to do business with the church*, and if they are denied the opportunity for not meeting laid down criteria, they begin conflicts.

Differences in understanding

Other conflicts are caused by differences in understanding of church operations and the understanding of the Word of God. This could result in the blind application of experience leaders gained in corporate jobs to the church environment. PRURBJRC says, “they just sit behind the desk and order people around.” “They” refers to those from the corporate world who join church leadership. Others would lack commitments due to “Christian immaturity.” This would lead to conflict and “burdening” of the church members.

Misunderstanding was mentioned by 2 participants as a cause of conflicts in churches. Some members think that some positions are reserved for particular people. If some particular members were not elected to such positions, questions would be raised about why they were not elected. Others are elected by members even though they are not grounded in the Bible. These scenarios can be depicted by these participants:

The conflict is attributed to the mix of people elected. Those elected feel there should have been a different mix of people, while others feel there should have been other people elected to the council who were not. PRURBKBR

Of the 14 identified causes of conflict, only one was not related to finances. Misunderstandings lead to conflicts due to differences in maturity, which is influenced by how one studies and applies biblical teaching. Other misunderstandings arise from the blind, unquestioning acceptance of approaches used in the corporate work environment, including treating church members as masters, giving them orders, and expecting them to follow without resistance. Continuing such a situation results in conflicts, as church members tend to resist it. The remaining causes mentioned by participants were directly related to money. These occur at different levels, from counting to keeping/banking, withdrawing, spending, and reporting. Any misappropriation at any point listed could result in conflicts, as already seen. Misplaced priorities and unclear records were mentioned by more participants compared to other causes. This suggests the possibility of conflicts, as church members are left with more questions than answers about how the money they contributed was used. Being in a position where questions

go unanswered breeds distrust in church leaders. When such cases persist, members demand explanations, which, if they cannot find, result in conflicts across all 8 churches under study.

4.1.3 Consequences of conflicts

Most participants stated that the conflicts experienced in their respective churches resulted in varied consequences. Twenty-one (21) respondents made 55 references to the consequences. The following were the consequences reported by these participants: church members left the church, mistrust among church members, reduced giving levels, people not greeting one another, discord among members, leaders resigning or being sent out of the church, and slowed development.

Based on the analysis, 8 participants mentioned a reduction in church membership as the main consequence of conflicts, in which people decide to “stay at home” and others “leave ...church.” Participants stated that as people left the church, they joined other churches to continue worshiping God and stayed away from areas where conflicts occurred. Those who could not join any church decided to stay at home and join the “flock that left the church.” TRRLMLK stated, “Church membership has also been declining from 200 to 190 to 170 and to 140.” In all 8 churches that had conflicts, the church membership declined. This decline affected contributions and overall participation.

Seven participants stated that the church split (in which others left to form other churches, including AIC church branches), whereas others formed churches that are not AIC. This was also seen with some pastors who had founded other churches apart from AIC. TRRLKLN stated that “the church split and 2 groups were formed.” Others stated “Church split into 3.”

7 participants reported a reduction in giving levels due to conflicts. TRRLMLK puts it that “the contributions in the church have since then been reducing from 20,000 to 12,000 and now it stands at 8,000.” The giving levels went hand in hand with the transparency issues. People kept wondering why they should give more money, only for it to be misappropriated by church leaders.

Seven (7) participants stated that there existed mistrust among members and church leadership. The participants did not trust the church leadership with their money. The following were the ways they expressed their concerns: “They see the church in a negative way.” Others think the “church is not yet revived;” others think the same problem (conflict) will occur, “they are afraid of going back to the same situation (conflict).” Also, others stated that “It created ill feelings among the church and other higher councils and the employees.” This is summed up by TRRLMLK that, “It reached a point that any contribution was questioned by church members, even if we give, it will be misappropriated’ and every Sunday, church members said I want my tithe to be documented rightly.” This mistrust affected voluntary giving because members still felt that their money was not in good hands. The mistrust stemmed from a lack of transparency, and, deep down, members’ hearts seemed to want transparency about how their money given to God was handled.

Six (6) participants stated that the church members involved in the conflict could not greet each other. Another 6 participants stated that there is discord amongst church members after the conflict. Six (6) participants stated that their leaders, including the pastor and elders, were sent away from the church or resigned from leadership.

Eight (8) participants across all 8 churches reported slowed development in their churches due to conflicts. PRURBKNB stated that the conflict resulting from the misappropriation of funds brought about deficits and, as a result, slowed development in several areas.

We would get into the month-end, and there would be no money to pay the workers, bills, or to run the church. This is because money was redirected to less important uses. Pastors would go 6 months without pay; the government would cut off water service for unpaid bills.

4.1.4 Solution of conflicts

This category of “solution to conflicts” was chosen because it cut across all 8 churches that had experienced conflicts. Based on the analysis, the following were the practical approaches these churches used to address the conflicts they experienced.

Protection of church money

The key approach mentioned by 12 participants and referenced 37 times was ‘protection of church money.’ This sub-category presents different ways churches have used to protect their money as a solution to conflicts they experience. The ways include:

- Banking all the money after every collection,
- Having a pastor in charge as a mandatory signatory,
- Respecting the drawn budget whenever money is withdrawn,
- Contracting a security firm to collect money after the end of Sunday services and temporarily keep it before banking,
- Formation of finance committees,
- Drafting clear priorities before spending church finances,
- Approvals before any money is withdrawn,
- Not spending the unspent money until the whole year is over,
- Having smaller committees/task forces to handle projects, approvals of emergencies, presenting clear records on expenditures to the Local church council on a monthly basis, and to the entire church on a yearly basis.

In cases where money was stolen, those involved were forced to pay it back. Other approaches included:

- Having the treasurer deposit slips and bank statements, and not cash,
- Strictly encouraging the giving of tithes and offerings and encouraging less fund raisings since they interfere with the giving of tithes and offerings.
- Doing all payments through or from the bank and
- No direct payments from collections,

Winning confidence

The category of “Winning confidence of church members.”

This sub-category was mentioned by 6 members from 6 different churches. After the conflicts, members of these churches lost faith in church leadership. To restore church members' trust and confidence in the church leadership, the involved churches had to take some steps. The approaches involved in winning confidence included the following: buying items and bringing them to the church for members "to see"; planning, executing, and reporting; teaching and preaching; and constantly highlighting the needs of the church. TRRRLMLK crowns all these by saying that "We started to give and again bring the things bought before church members to see."

Removal from serving in the church

The third category, with 5 participants from 5 of 8 churches, was removal from serving. In these churches where conflicts occurred, the people involved were discontinued from serving the church. The terms used were "excommunication from LCC and DCC", "dissolving the LCC", "stopped from working", "removed from leadership and fellowship", and "removed from office". In all the churches, the stoppage of people involved in the conflicts prevented them from serving as leaders.

Other approaches applied

In addition to the 3 approaches mentioned, the following were also mentioned: applying financial guidelines and policies that would regulate how to mobilize for church funds, how to spend, and how to save the remaining cash after spending. PRURBKBN sums it up as stated below.

We developed a financial church policy to govern how to mobilize and spend church funds. The policy clearly stated how we could mobilize funds on behalf of the church, how to use those funds, and how to treat the remaining cash after spending.

4.1.5 Systems of accountability and transparency

Systems of accountability transparency emerged as a central sub-category. The key elements that established this sub-category were: documentation of money received and spent, procurement, presentation of the goods and services procured, and reporting of the expenditure to different levels within the church. Eight participants from all 8 churches reported on the key areas of accountability and transparency.

Documenting money received and money spent

According to their responses, documenting the amounts received and how they have been spent was key. This documentation involved recording the amounts received and spent. PRRRLKWL states that "We give all the records to the secretary who then writes a report on how much money came in and how it was spent." The documents kept include "books of account," files for "deposit slips," "bank statements," "receipts," "petty cash books," "collection vouchers," and "vouchers."

Other measures mentioned by one church included: the signing of cheques by 3 people and putting the pastor in charge as a mandatory signatory; the counting of tithes and offerings by deacons on a rotational basis; accompanying every spending with quotations; money not handled or spent by one person, at least 3 people must be involved by appending approving signatures before money is released.

Presentation of goods and services procured

The presentation of the goods and services procured as planned is one of the strategies the churches adopted after realizing that church members' confidence waned due to distrust. To show that they are accountable and transparent, the Local Church Council devised several strategies to win confidence, and the main approach mentioned was the presentation of the goods and services procured as planned.

The description below, prepared by PRURBJRC, outlines key issues related to accountability and transparency in the handling of funds contributed by church members. He states that contributions to church development can be made in kind or in cash. For this to be possible, the materials are itemized, members choose what they can contribute, and they choose what they can contribute. After which, the work is done on a weekly basis, so that as members come to church every Sunday, they get to see the amount of work their contributions enable the development team to do. He puts it in his own words as follows:

Instead, we broke down the materials for them. For example, we needed 30-40 bags of cement per day, totaling around 1000 for the whole building. We got someone to give sand, and someone to organize a group of workers. Therefore, the church provided funds for cement, sand, and labour. When they came one Sunday, they found a large area had been plastered, and it was easy to report to the members on the extent of the work and request money to complete the remaining area. This made the work move faster than any other phase, which was taking 6 months to raise money and then another 3 months to complete the work. However, when we put it into use, people gave more than we expected.

Reporting of the expenditure to different levels in the church

The presentation of reports to the Local Church Council, the finance committee, the senior pastor, and the church congregation is encouraged. PRRRLMLK states that "We normally tell the church what we have done and how money has been used. What we have agreed to do is what is done, no change of mind." This reporting entails executing the agreed plan or purchases, with no room for change. PRRRLKLN adds that the bit of "seeing" the agreed items to be purchased or not another item. He states, "We cannot give money; we do not know where it goes. If we give money for a chair, we need to see a chair, but not a table." A comprehensive report is prepared for all the work done and money spent, which is read to the entire church. The presentation of this report is open to the church, and brief reports are distributed as leaflets to church members.

Accountability and transparency in churches involve how money is collected, recorded, stored, withdrawn, spent, and reported. These stages need to be as transparent as possible, in that during the collection, it needs to be clear why contributions are given, after the contribution, the congregation needs to know the amount collected, every quarter, they need to be briefed on how the money was spent, and how much they still have in their accounts. Also, they need to see how far the work has progressed with the money contributed. After all this, the parties involved prepare a comprehensive report and share it with all church members in the form of an announcement or small leaflets, outlining how much was collected, what was done, how much is still needed, or how much is left.

4.1.6 Relationship between transparency and giving levels

Relationship between transparency and giving levels. This category was chosen because it could anchor two subcategories: increased giving levels, which received responses from 11 participants and 15 references. All the responses came from all the 8 churches under study, as mentioned by the participants.

Giving levels increase when money given is used properly. The following were the expressions they used to reinforce the giving levels of church money. They said, well-managed, put to good use, and used appropriately. This will result in members of the church giving more money.

The issue of “transparency” elicited responses from 12 participants, totaling 17 references. There is a relationship between transparency and giving levels. The participants used the following expressions: “there is a relationship,” “big relationship,” “great relationship,” “not hiding,” “knowing what is happening,” “announcing openly,” “informing the church,” and “giving an account.”

Figure 1 below shows the relationship between conflicts and handling finances.

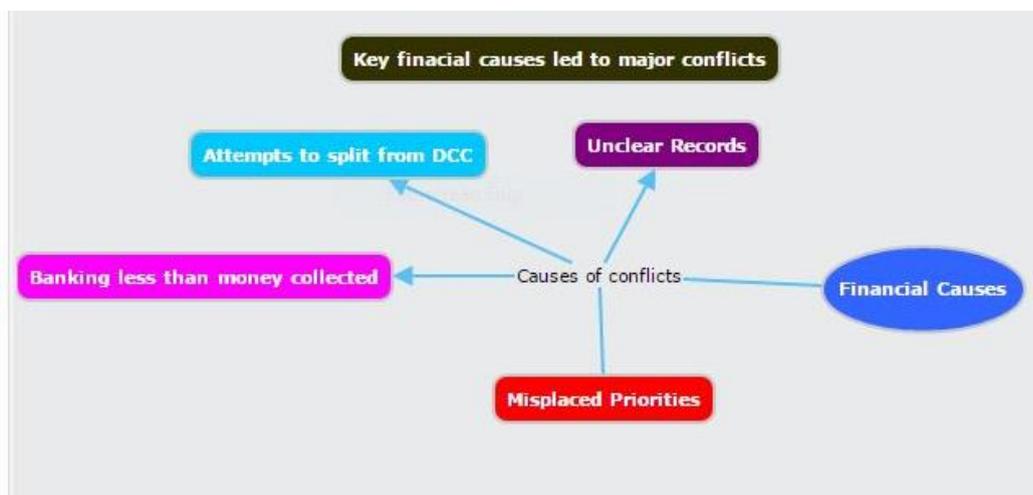


Figure 1: Relationship conflicts and handling finances

From the findings, 75% (6/8) of the long-serving church respondents completely trust the way the church handles God’s money. This is probably because of lessons learnt from previous conflicts. The members have developed confidence in the way elected church leaders handle God’s money.

5. Conclusion

The study revealed that although the benefits of keeping church money are primarily spiritual, conflicts arise when money collected for one project is diverted to another. Unclear records make it hard to track money use, and members start pointing fingers at each other, questioning the misappropriation of funds. Another misappropriation conflict happens when custodians bank less than the amount collected.

Financial misappropriation stems from the belief that the church belongs to God and the money belongs to everybody. Withdrawing money without ratified usage also causes conflicts. Different churches had different reasons for withdrawing money from the account. Other

conflicts are caused by differences in understanding of church operations and the understanding of the Word of God.

From the findings, the consequences of conflict were: church members leaving, mistrust, reduced giving, people not greeting one another, discord, leaders resigning or sent out of the church, and slowed development.

It is important to seal off the discovered schemes for robbing the church's money. Prompt banking of church funds with designated signatories and the deposit of the banking slips with the treasurer as soon as possible increases financial accountability. Church bank accounts connected to the church administration phone, where deposited amounts are sent by text message immediately, will help consolidate banking transactions. At any given time, money should not be taken to anyone's private home. Periodic financial statements regularly provided to the members increase their trust in those who handle finances.

6. Recommendations

The AIC management should ensure that their pastors and church leaders are thoroughly prepared for the priesthood and appointed or elected into office based on merit. After theological training for pastors, frequent in-service courses through seminars and conventions should follow. Leaders should be able to demonstrate expertise and skills in their roles as church leaders. They should demonstrate strong interpersonal skills, including wisdom, humility, and commitment. They should also demonstrate some financial management skills. Though financial management is taught as a subject to pastors, they rarely examine a leader to assess his/her skill as a steward of money, as it is always assumed. Research shows that most non-governmental organizations (NGOs) doing microloans are convinced that women are much more trustworthy than men. If this is relevant, the AIC constitution should be revised to give women greater responsibility for stewarding church finances.

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