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## Who Owns a Congregation?

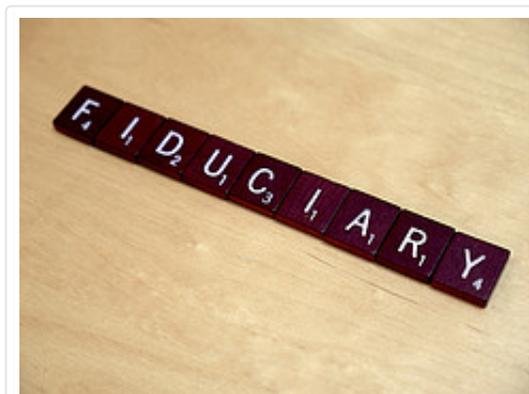
by Dan Hotchkiss

When I ask members of a governing board about their job, someone (frequently a lawyer or a banker) often uses an obscure word that speaks rather deeply to the nature of the board's role: "The board is a fiduciary."

And what might a fiduciary be? Many people connect this word exclusively with money, but the concept is actually much broader. A fiduciary (in Latin, *fiduciarius*, "trust," from *fides*, "faith") is anyone whose duty is to act in faithfulness to the interest of another, even at cost or peril to himself.

A parent, for example, is a fiduciary for his or her children and must care for them, no matter how much sacrifice that might require. The stewards in Jesus's parables, who managed the master's property while he was absent, are fiduciaries. The board of a business corporation holds the company's assets as a fiduciary for the stockholders. Since the stockholders' main goal, ordinarily, is to make money, the duty of a corporate board is to increase stockholder value. If the board seeks other goals—by pumping up executive compensation, making sweetheart deals with other companies owned by board members, or sometimes even trying to be responsible corporate citizens—they can expect to be accused of failing as fiduciaries.

A congregation's board is a fiduciary, also. Like a for-profit board, it controls property in behalf of its real owner. But who is the owner? Members of the congregation often answer this too quickly: "We members are the owners!" And the members' interest? Satisfactory worship, education, social action, and so on. The fiduciary duty of a congregation's board, in this view, is to know what the congregation wants and to provide it—a concept not so different from the



[Photo credit: [Lending Memo](#)]

political and commercial concepts of the board described above.

This way of thinking sometimes produces good results, but it is based on a false assumption. A congregation does exist to serve its owner—but the members of a nonprofit organization do not “own” it as stockholders own a business. Stockholders can vote to sell the corporation's property, pay its debts, and divide the remainder among themselves. A congregation—or any other nonprofit—that did likewise would be violating several state and federal laws. The most fundamental legal principle of nonprofit corporations is that they must use their resources exclusively to serve the purposes for which the state has chartered them. In the case of congregations, the charter purposes are relatively broad. For that reason, and because a congregation is exempt from many of the tax reports required of other charities, leaders sometimes forget that there is any limitation at all. But a congregation may not distribute its resources for the “personal benefit” of anyone—especially an officer or board member—except as reimbursement of expenses or fair compensation for services provided. For-profit corporations are required to benefit their stockholders, while nonprofits are forbidden to benefit their members. To call the members “owners” under these conditions stretches the idea of ownership quite far.

## Who Is the Owner?

Who, then, is the owner of a congregation? Who plays the role of the stockholders in a business? Not the members. Not the board. Not the clergy or the bishop or the staff. All these leaders are fiduciaries, whose duty is to serve the owner. Symbolically, we might say God or Jesus is the owner, and that might be a correct interpretation. But God is too big a concept to guide decision making helpfully. The specific “owner” that the board must serve is *this congregation's mission*, the small piece of God's will that belongs to it. Or to put it differently, the congregation's job is to find the mission it belongs to—the real owner for whose benefit the leaders hold and deploy resources. The primary measure of a governing board's success is not the balance in the bank, the shortness of board meetings, or the happiness of congregants. A congregation's “bottom line” is the degree to which its mission is achieved. The mission, like stockholders in a business, has the moral right to control the congregation's actions and to benefit from them. Because the match between a congregation's mission and a corporation's stockholders is so close, it seems to me helpful to say that the owner of a congregation is its mission.

## Fiduciaries for the Mission

An interesting corollary of this line of thought is that when members of the congregation vote, they, too, vote as fiduciaries for the mission. Like the board, each member has a duty to make sure the congregation serves its mission—to vote as a fiduciary for the owner—even if that goes against the member's preferences or wishes. When a member's private interests are in

conflict with the congregation's mission, the member's duty is to vote the mission.

And what is the mission? The great management consultant Peter Drucker wrote that the core product of all social-sector organizations is "a [changed human being](#)." A congregation's mission is its unique answer to the question, "Whose lives do we intend to change and in what way?" What this means for a particular congregation at a given time is never clear or obvious, and so articulating mission is a continuing task. But a congregation that avoids that task—that simply seeks to please its members or keep doing what it has done in the past—falls short of its true purpose. Growth, expanding budgets, buildings, and such trappings of success matter only if they reflect positive transformation in the lives of people.

The board's role, then, might be summarized as "Owning the place in behalf of its mission." To be sure, the board is accountable to the members who elected it, and perhaps to other stakeholders as well—but achieving the mission is what the board is accountable *for*.

[Dan Hotchkiss](#) consults with congregations and other mission-driven groups from his home near Boston. This post is adapted from Dan's best-selling Alban book [Governance and Ministry: Rethinking Board Leadership](#), which has helped hundreds of churches, synagogues, and non-profit organizations to streamline their structure and become more mission-focused and effective.

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[David Brubaker](#) has consulted on organizational development and conflict transformation in the U.S. and in a dozen other countries. He is the author of *Promise and Peril*, an Alban book on managing change and conflict in congregations. David holds a Ph.D. from the University of Arizona and an MBA from Eastern University. David is currently an associate professor of organizational studies at Eastern Mennonite University. [email David](#)



[Dan Hotchkiss](#) Dan is a valued partner to leaders seeking guidance with planning, visioning, and governance. Known for his extensive writing and entertaining presentations, Dan is flexible and wise in dealing with the human side of congregations and related institutions. [email Dan](#)



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[John Wimberly](#) John consults with congregations on issues such as the creation and

implementation of strategic plans, congregational growth and the empowering use of endowments. He served congregations for 38 years, thirty of them at Western Presbyterian Church in Washington, DC. His quest for continuing personal, spiritual and professional growth led John to complete a PhD in systematic theology and an Executive MBA program. [email John](#)



## PERSPECTIVES for congregational leaders

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### [Who Owns a Congregation?](#)

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When I ask members of a governing board about the board's job, someone (frequently a lawyer or a banker) often uses an obscure word that speaks rather deeply to the nature of the board's role: "The board is a fiduciary." And what might a fiduciary be?

### [Leading in an Age of All-or-Nothing Conflict](#)

by David Brubaker

Pastor Bethany feels like a punching bag. For the past decade her denomination has held wrenching debates at its national conference about how to respond to individuals in same sex relationships who desire to be ordained to ministry, and members of her congregation are increasingly losing patience with the "dialogue." Polarization has set in and Pastor Bethany feels trapped in the middle.

### [Noticing – Unhurried, Unafraid Curiosity](#)

by Sarai Rice

As I remember it, the first time I visited Ed in the nursing home, his bed included some kind of sling apparatus that helped the staff get him up and out of bed. I don't think I ever saw it used, but it was certainly clear that he didn't get out of bed often. He also didn't respond very much when I talked with him, even though the family had assured me that he was still quite mentally sharp.

### [Working around Incompetence on the Team](#)

by Susan Beaumont

We aspire to build staff teams of competent, motivated individuals who work in dogged pursuit of a clearly articulated vision. What most of us have are teams with some outstanding staff and some not so outstanding staff, working side by side towards a vision that seems clear, on some

days.

### The Return of the Urban Congregation

by John Wimberly

The urban congregation is back! At least, it appears to be on its way. For most of my forty years in ministry, people have talked about the demise of the urban congregation. In fact, many city churches have closed or been reduced to tiny memberships. However, much of what was working against urban congregations in the last part of the twentieth century seems to be working for/with urban churches in the first part of the 21st century.

### "I Promise..."

by Sarai Rice

"I promise that no one will lose their job unless they really mess up." I've heard these words, or something like them, twice in the last ten days—once from the chair of a large congregation's personnel committee and again from the executive director of a social services non-profit created through the merger of two other organizations. These words scare me.

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