ECFA
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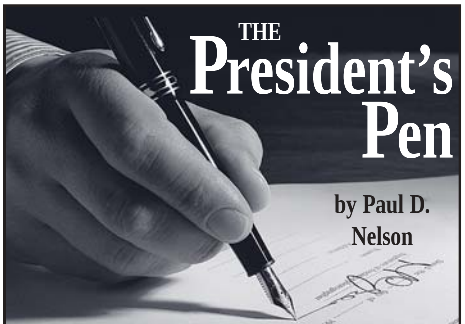
FOCUS ON ACCOUNTABILITY™

Third Quarter 2004



THE President's Pen

by Paul D. Nelson

History Repeats Itself

Twenty-five years ago, ECFA was founded amid Congressional hearings and threatened legislation due to abuses in the charitable community, especially by Christian charities. The formation of ECFA was well received and helped to forestall legislation at that time.

This summer, the Senate Finance Committee, chaired by Senator Charles Grassley (R-Iowa), held hearings on abuses in the charitable community. Among the abuses listed were tax-shelter loopholes, car donation programs, community foundation excesses, and several highly publicized scandals involving well-known national charities.

While I am pleased that no Christian organizations were cited this time around, I am mindful that the good record of ECFA members cannot be taken for granted. I am also very aware that not all Christian organizations subscribe to ECFA's Standards.

Reaction to the current situation has produced legislative proposals that will not only seek to close loopholes but also apply a whole new set

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FEATURE FEATURE FEATURE FEATURE

The Leadership Role of ECFA Members

...Boards must lead the way

ECFA members are leaders in the Christian community and in the broader nonprofit arena. Based on more than 25 years of solid history, the value of the ECFA seal associated with member-ministries is increasingly recognized by the donor public.

The reputation and credibility established by ECFA members is wonderful but this is not a time to rest on our laurels. Whether or not Congress passes additional legislation directed at the nonprofit world, it is clearly a time for boards of ECFA members to step up to the challenge of providing even greater leadership in our sphere of influence.

One thing is clear—the ministry governance climate has been significantly altered, particularly in the way boards conduct their deliberations, perform due diligence and evaluate and recruit board members. There is more focus by the government, regulators, and donors on nonprofits than in perhaps 25 years.

Here are five areas where the governance landscape has changed:

- **Board self-assessment.** Boards are increasingly seeing the value of board self-assessments. In a recent survey, directors were asked which of the recent corporate governance reforms was likely to have the most significant impact on the effectiveness of boards in general. Board assessment ranked fourth out of a list of 12.

Nominating and governance committees are typically responsible for the board assessment process (otherwise, the executive committee often takes the responsibility). The committee must ensure the board assessment fulfills its potential—and doesn't simply result in a ho-hum paper-pushing exercise.

Improving board performance is a challenge for many ministries. Board self-assessment is increasingly considered an important tool to energize board members and make them eager to focus on their leadership roles.

> "There is more focus by the government, regulators, and donors on nonprofits than in perhaps 25 years."

Self-assessments develop the board's team-building skills and provide a better problem-solving structure. It is a clear signal that board members take their responsibilities seriously.

A self-assessment gives the board an opportunity to step back from its everyday business and address larger, more fundamental issues. In addition to allowing boards to reflect on how well they are meeting their

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ECFA FOCUS ON ACCOUNTABILITY™

History Repeats Itself

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of overreaching rules on all charities.

ECFA is fully engaged in the process. We have met with ad hoc groups from the secular philanthropic community and staff members of the Senate Finance Committee and voiced our opinion at a closed hearing of participants invited by the Finance Committee. Thanks so much to those of you who responded to the Finance Committee with your individual concerns.

While some of the proposals are merely extensions of the Sarbanes-Oxley legislation, many of them represent excessive intrusion into the affairs of ministries. ECFA has anticipated that possibility for the last year or so. Some likely changes for nonprofits include revisions (as yet undefined) to the Form 990, mandatory electronic filing of Form 990, and further scrutiny of executive compensation. Under serious consideration are: a five-year review of the tax-exempt status of selected charities; a fee that would be charged for processing a more extensive Form 990 every five years; revocation of exempt status for any accommodation to tax shelters; application of the self-dealing regulations for private foundations to charities; and a requirement that charities change auditors every five years.

> *"Many current proposals represent excessive intrusion into the affairs of charities."*

More striking proposals include the disclosure of organization performance goals in the Form 990, limiting board size to 15 members, giving the IRS authority to remove individual members from charity boards, and limiting charity travel expenses to levels currently set for government employees. The full list of proposals and text of the Finance Committee's "white paper" is available on ECFA's member website (www.ecfamembers.org) under "News."

ECFA's response has been to support closing abusive loopholes, but otherwise oppose the long list of new rules that we believe are government intrusions into the independent affairs of charities. We, along with many others, have questioned the ability of the IRS to monitor or enforce all of the new proposed regulations. In fact, we believe that most charities that have abused current law can be prosecuted under current law. We have suggested that charities breaking current law will likely break the new law. This means law-abiding charities (which, overwhelmingly, is most of them) will have to spend charitable dollars to comply with the new law.

Developments on this issue are moving rapidly. This is an election year, making it unlikely that proposed legislation would be enacted before this Congress ends its business later this fall. While Senator Grassley has acknowledged this, he has indicated he would like to advance the cause of new legislation now for the benefit of the new Congress in 2005. The Chairman sincerely believes this is a significant issue requiring, at least in part, a legislative solution.

I am very grateful for ECFA's maturation over 25 years. I am proud of the organizations that carry the ECFA seal. We have a credible voice to speak out on issues that intersect our sphere of influence—as in this case. But ECFA knows its core mission is to help member organizations earn the public trust by holding them accountable to ECFA's proven Seven Standards of Responsible Stewardship, and that responsibility will always be upheld.

I encourage each of you to voice your opinion; but, as you do, be aware that adhering to good standards is not something that your organization affirms once each year and then doesn't think about again until next year. It must become part of the fabric of the organization, making the standards integral to the daily routine. May the Christian community always be part of the solution to these issues and never again be part of the problem.

Leadership Role of ECFA Members

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responsibilities, a self-assessment helps boards focus on integral aspects of their work—from strategic direction setting and oversight to fund-raising and ministry outreach. (A full article on this topic will appear in the next issue of *FOCUS on Accountability*.)

- **Audit committee.** ECFA has focused on the importance of the audit committee for years. The face-to-face meeting with the auditor is a key communication opportunity for the audit committee. (See California legislation, page 7, that would require an audit committee for nonprofits with gross revenue of $2 million or more.)

ECFA's Standard No. 2 requires either "the board or a committee consisting of a majority of independent members shall review the annual audit and maintain direct communications between the board and the independent certified public accountants." While ECFA Standards permit these responsibilities to be carried out by the board or a committee, an audit committee should be used by all except the very smallest ministries to ensure adequate time and attention is given to audit-related matters.

> *"The face-to-face meeting with the auditor is a key communication opportunity for the audit committee."*

Under Standard No. 2, the board or a committee of the board, must meet with the auditor at least once a year. If the geographical location of

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the participants is an issue, this meeting may occur via a telephone conference call—but the meeting must occur.

The Sarbanes-Oxley requirement of having at least one individual on the audit committee with financial expertise doesn't apply to nonprofits but it is certainly a concept worthy of consideration. Financial expertise is one qualification to be considered when recruiting board members. Ministries without a board member who is conversant with nonprofit financial issues could invite one (or more) non-board members possessing financial expertise and familiarity with your ministry to join the committee (unless state law restricts committee members to those who are board members).

• **Related-party transactions.** There is increasing concern about related-party transactions. Even when related-party transactions are truly in the best interest of the ministry and properly documented, a significant transaction may raise concerns with donors and the public.

"Proper handling of related-party transactions starts with an adequate policy."

Proper handling of related-party transactions starts with an adequate policy covering both board members and key executives. (ECFA has sample policies at www.ecfamembers.org in the Topics of Interest section, see Conflicts of Interest.)

Of nearly equal importance is an annual questionnaire used to document any potential related-party transactions. The completed questionnaires should be reviewed by the board governance or executive committee, for example, with a summary provided to the board chair.

Significant related-party transactions should be approved by the board and documented in board minutes. All significant on-going related-party transactions should be annually

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Properly Caring for Endowments

. . . more than meets the eye

by Dan Busby, ***ECFA Vice President***

Soliciting and accepting endowment gifts is a common practice in ministries. An endowment fund may be established when a donor restricts a gift for perpetuity. While the principal of the gift must generally be retained in the endowment fund and invested, the income earned on the gift is usually available for program purposes.

Endowment gifts come in many different shapes and sizes. A donor may make an endowment gift to a ministry by imposing permanent restrictions on the gift. Or, an endowment fund may be established by the board of directors and donors may be asked to contribute to the fund. Many ministries include an endowment component in fund-raising campaigns.

There also may be "term endowments"—not permanently restricted but temporarily restricted for a specified period of time. At the end of the time period, the principal is released for unrestricted or purpose restricted use as set forth in the agreement.

All ministries should set aside cash and net asset reserves to protect against unexpected financial downturns. An endowment fund is an excellent way to do this. Endowments establish permanence for a charity.

An endowment fund can be supportive of the entire range of programs of a ministry or supportive of just one aspect of the organization. A ministry can have several endowment funds.

It seems so simple to establish an endowment fund or accept an endowment gift, but this apparent simplicity belies many complex issues. Much of the confusion relates to terminology. The word "endowment" is often used without further definition. Plus, the qualifying terms that are used with the word endowment—pure, true, term, permanent, and quasi—add to the complexity.

Types of endowments. Endowment net assets may be permanently restricted, temporarily restricted, or unrestricted in an accounting sense.

● **Permanently restricted.** Endowment funds may be established by donor-restricted gifts and bequests to provide a permanent (also referred to as pure or true) endowment, which provides a permanent source of income. Charity boards generally may not change the donor restrictions unless expressly granted such discretion in writing by the donor or by a court order.

The portion of a permanent endowment that must be maintained permanently—not used up, expended, or otherwise exhausted, represents permanently restricted net assets.

● **Temporarily restricted.** An example of a temporarily restricted endowment fund is a term endowment, established to provide income for a specified period. For example, a donor might restrict the principal of the gift for ten years or until a certain event has occurred. Then, the donor might instruct that the principal may be reclassified as unrestricted net assets.

"Endowment net assets may be permanently restricted, temporarily restricted, or unrestricted."

● **Unrestricted.** A fundamental concept is: donors restrict (temporarily or permanently) and boards designate (unrestricted net assets). Boards do not restrict net assets. Therefore, an organization's governing board may earmark a portion of its unrestricted net assets as a board-designated endowment (sometimes referred to as funds functioning as endowment or quasi-endowment funds) to be invested to provide income for a long but unspecified

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period. A board-designated endowment, which results from an internal designation, is not donor-restricted and is classified as unrestricted net assets. Generally, the governing board has the right to decide at any time to expend the principal of such funds.

Determining donor intent. Donor intent is often evidenced in one of the following ways.

- If a donor desires that the principal of a gift be maintained inviolate and in perpetuity, and only the income from the investment of the assets may be expended, the donor may stipulate these desires in the donative instrument.
- The fund-raising communication between the charity and donor is often indicative of the nature of the gift. For example, if the charity establishes an endowment fund and a donor makes a gift in response to promotional material about the fund, a permanently restricted gift has been made.

> *"Before accepting endowment gifts, a board should adopt appropriate policies."*

Board authority over endowments. The authority of a charity's board is in the following areas:

- Establishing endowment policies that do not violate federal, state or local laws
- Generally has the power to place unrestricted donations in a board designated (unrestricted) account
- May have the power to allocate a portion (representing allocable planned giving costs) of a temporarily or permanently restricted gift for unrestricted purposes (including a board designated endowment fund)
- Generally has the power to direct the income from endowments

Income from the endowment fund. Generally the earnings on an endowment fund itself are not restricted and may be used to carry out the ministry's ongoing activities. However, some endowment gifts stipulate how the income is to be used, such as for restricted purposes or programs.

Are interest and dividends earned on endowment investments expendable? How about gains and losses? This depends on relevant law, but it may be overridden by agreement with the donor. It is often best for the gift agreement or solicitation to define what components of investment income are expendable for what purposes.

Some nonprofits use a defined spending rate for distributions from an endowment fund. If all gains, losses and income are expendable, they only spend, say 5%. This means that the unspent earnings are held as temporarily restricted.

Establishing endowment policies. Before accepting endowment gifts, a ministry's board should:

- Define the specific objectives the endowment fund must achieve for the ministry;
- Decide whether or not to use a professional investment manager to manage the endowment fund;
- Adopt a policy regarding the use of the endowment principal.

A charity's "endowment" policy should distinguish between quasi-endowment and endowment types of gifts. This clarification is very important for proper donor communications and to insure that the proper accounting treatment is followed for these gifts.

Does an endowment policy established by a charity have precedence over how donors generally understand the meaning of making an endowment gift? For example, a charity's policy states: "Donations to the endowment fund shall be considered unrestricted unless given for a specific purpose or for a specific term by the donor, whose restrictions shall be set forth in a donor agreement by and between the donor and the charity." This policy is problematic because the terms endowment and unrestricted are mutually exclusive.

Communicating with the donor. Communications to donors should be consistent with the charity's policies. If funds are solicited for quasi-endowment purposes, this should be clearly stated. If funds are solicited for endowment purposes, these solicitations are for permanently restricted gifts.

What if fund-raising campaign promotional material states that of the $25 million goal, $5 million will be used for endowment? However, the intent of the charity is to place the endowment gifts with their unrestricted net assets. Since the literature does not use "quasi-endowment" language, many

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reviewed again by the board to determine if they continue to be in the best interest of the ministry. The recusal from discussion and vote (even to the point of leaving the board room while the matter is under discussion) by the related party is vital to demonstrate independent board decisions.

- **Documenting executive compensation.** Whether a ministry compensates its top executive at a modest or more aggressive level, contemporaneous documentation of the compensation package (gross pay and all fringe benefits) is a must.

Without proper documentation, IRS agents are instructed (2004 IRS Continuing Professional Education text, http://www.irs.gov/charities/index.html) to automatically treat undocumented compensation as an "excess benefit," even if the payments would have been considered reasonable compensation if properly documented.

Example: A ministry wants to reward its CEO for 30 years of faithful service. Although the board approved $10,000 for an overseas vacation for the CEO and his wife, the ministry did not include the $10,000 on the CEO's W-2 or withhold appropriate payroll taxes. Even though the additional $10,000 of compensation, when combined with the CEO's regular salary, was reasonable, the failure to include the $10,000 in the payroll reporting process gives the IRS a basis to treat the amount as an excess benefit transaction. The potential penalty assessed on the executive is 25% of the benefit plus another 200% penalty unless the benefit is returned within a limited period of time.

Board Members *Elected*

The following individuals were recently elected to a three-year term on the ECFA Board of Directors:

Rebekah Birch Basinger, Fund-raising and Board Development Counsel, Dillsburg, PA

Ted Haggard, President, National Association of Evangelicals and Senior Pastor, New Life Church, Colorado Springs, CO

Dolphus Weary, Executive Director, Mission Mississippi, Jackson, MS

Wes Willmer, Vice President Advancement, Biola University, La Mirada, CA

Thomas Addington was re-elected as the ECFA Board Chairman for the current year.

The following individuals serve on the ECFA board (in addition to the those reflected above):

John E. Brown, III, Exec. Dir., Windgate Foundation, Siloam Springs, AR

Robert W. Dingman, Retired, Robert W. Dingman Co., Thousand Oaks, CA

Christopher J. Doyle, CEO, American Leprosy Missions, Greenville, SC

Kenneth R. Larson, President, Slumberland, Little Canada, MN

Tom McCallie, Exec. Dir., Maclellan Foundation, Chattanooga, TN

Elisa Morgan, President, MOPS International, Denver, CO

Carolyn Sparks, Retired Missionary, San Leandro, CA

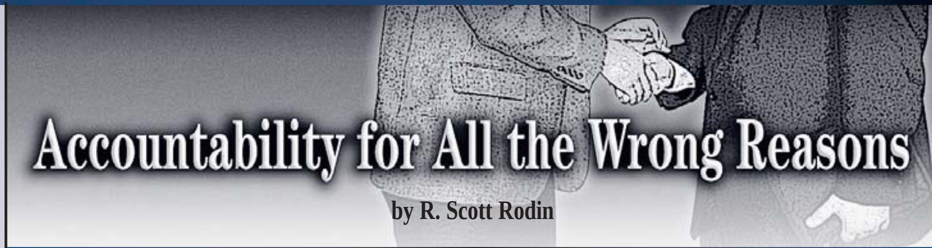
Richard Stearns, President/CEO, World Vision, Federal Way, WA

ECFA expresses appreciation to two board members who recently completed their six-year term of service:

Lauren Libby, COO, The Navigators, Colorado Springs, CO

Michael Little, President, Christian Broadcasting Network, Virginia Beach, VA

Crawford Loritts, Jr., Assoc. Dir., U.S. Ministries, Campus Crusade for Christ, Atlanta, GA



Accountability for All the Wrong Reasons

by R. Scott Rodin

Most all Christians would agree that accountability is important to the process of growing as disciples of Jesus Christ. We seek accountability for ourselves and we agree to hold others accountable for the sake of spiritual development and public witness. In this way, true accountability is an integral part of carrying out the command to "make disciples."

Yet there is another aspect to accountability that is important to understand. Accountability is a response to sin. And there is some irony in this.

On the one hand, the purpose of godly accountability is to re-focus us on what is true and right. It corrects distortion, realigns skewed views and actions, and brings truth back into clarity. In its proper form, accountability catches us when sin's distorting power is taking hold and brings us back to the straight and narrow path of obedience and righteousness.

On the other hand, sin is most often expressed in the form of distortion. Sin's power lies in its ability to take what is true and right, what is good and holy, and skew it to the point that it not only ceases to serve its divine purpose, but actually becomes an obstacle to spiritual growth.

Consider then what happens when accountability itself is the victim of this distorting effect of sin. How alarming is it when the vehicle for correction and realignment is itself out of alignment and fundamentally incorrect?

The purpose of this article is to call our attention to the ways that accountability can become distorted with the result that it is used by the enemy to perpetuate sinfulness rather than curb and correct it.

Accountability takes two forms; we submit to accountability and we hold others accountable. In both, the opportunity is present for the corrupting power of sin to pervert the original intent. Let's look at each.

In our effort to live as followers of Jesus Christ, we rightly seek out accountability to help us see in ourselves what we might not otherwise see. Friends can call us to account and, if lovingly applied, the accountability they hold us to can have redeeming and curative effects in our lives.

However, this supposes that we seek to submit ourselves to the oversight of others for the right reason, and that is not always the case. As a consultant, I have been asked by clients whether it was a good idea to join ECFA in order to bolster campaign contributions. While I understand the question, I question the motive. Is it right to seek to join an accountability group in order to use the seal of approval for our own gains? If so, our efforts to meet its standards and hold to the prescribed ethical criteria will likely be met with frustration and reticence, since the end goal is not accountability per se but the benefits of membership.

> "Accountability can become distorted and used by the enemy."

We can do the same on the personal level. We can seek to belong to an accountability group in order to wear the badge of submission without ever really seeking to engage in the hard work that such a group should require. We may react with anger or frustration when others lovingly challenge us to a higher level of godly living. If our motivations are not right, we will be threatened by

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Accountability for Wrong Reasons

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accountability rather than opening ourselves up to its transforming power. When sin is allowed to so distort the motivation, the benefits are lost.

Submitting ourselves to the accountability of others for the right reasons requires hard work, which yields results that are critical to our ability to grow as disciples of Jesus Christ. With this important tool for the kingdom at stake, we must be on guard not to allow distorted motivations to rob us of the benefits of true accountability, whether as individuals or as ministries.

We can also witness sin's distorting power in the second form of accountability; namely, in our role as ones who are called to hold others accountable. When people come under our accountability, they grant us a great deal of power. And power corrupts. Those who entrust us with accountability look to us to have pure motives

> *"Inability to set priorities is the second most frequent complaint of team members."*

and to seek always to have their very best interest in mind. This responsibility requires humility, spiritual maturity, and a genuine compassion for the well-being of others. We may need to confront, convict, probe into areas of hurt and remorse, challenge and console. All of these require that our motivation be true and our attitude be one of humility and grace.

It is the same with the trust we put in ECFA. We trust that its motives will be pure and its leaders will always seek to carry out their responsibilities with the well-being of members as the primary concern.

As those in whom this trust is bestowed, we must guard against the temptation to use the power we have been given for counterfeit purposes. Without doubt, sin's distorting effect has the potential to turn the power of accountability into manipulative power. We cease to be agents of God's redemptive purposes when we use the trust given to us to wield power, manipulate behavior and use accountability to justify our own sinful behavior.

I witnessed this latter temptation in the mid-1980s during the Ethiopian famine. In a response to horrific television images of starving children, thousands of people were motivated to give funds to help the relief effort. Some were motivated by guilt and others by Christian compassion to care for the poor and suffering. These differing motivations surfaced when news hit that some grain sent from U.S. relief agencies was rotting on the docks of Mogadishu due to internal logistical problems. Those who were motivated by guilt used the news to justify their decision to stop sending aid, even if the agency they had funded was not even remotely involved with the suspect grain. Their claim that they were 'holding agencies accountable' was a smokescreen for their own lack of conviction about their giving. Their actions were in sharp contrast to those motivated by compassion who called and sought out more information, wanting to make their giving decisions based on trustworthy data. These were people for whom accountability was a means to helping them make godly decisions about giving, and not a quick and cheap excuse to justify their desire to keep their money for themselves.

Accountability can be a powerful witness to our desire to grow and mature as disciples of Jesus Christ. It is a sacred trust we give to others and others bestow on us. It can be the guide, the curb, and the correcting lens to help identify the distorting power of sin in our lives. However, in every case we must guard against this wonderful tool becoming corrupted to the extent that it is a source of distortion itself. In every case we need to be asking, "why am I seeking accountability?" and "what are my motivations in holding others accountable?" If we can check wrong motives and correct distorted attitudes, then we can benefit more fully from this important aspect of the disciple-making process.

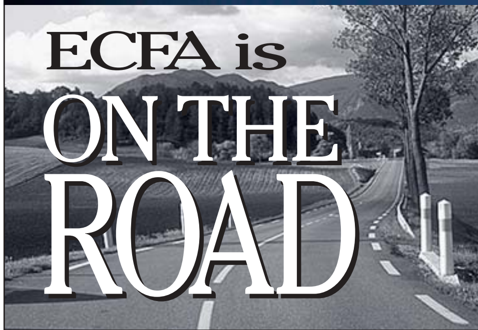
Scott Rodin consults with Christian colleges, seminaries, schools, churches, and parachurch ministries in the areas of leadership, fund-raising, strategic planning, and organizational development. He may be reached at Rodinconsulting@aol.com.

Busby Receives *NACBA Hall of Fame Award*

At its recent annual convention in Philadelphia, the National Association of Church and Business Administration (NACBA) presented ECFA's Vice President, Dan Busby, with its Hall of Fame Significant Contributor Award for 2004.

Dan's interest in church administration came naturally as he grew up in the home of a pastor, state church administrator, and evangelist. His two tax and finance guides, *Minister's Tax & Financial Guide* and the *Church and Nonprofit Tax & Financial Guide*, have been annually revised and published by Zondervan since 1990. He is a prolific writer with more than 200 of his articles in print.

In a typical year, Dan makes 25-30 speaking presentations and is an annual presenter at several national conferences.



ECFA will be represented at the following events and meetings:

Sept. 22	Arizona Society of CPAs Phoenix, AZ Dan Busby, Presenter
Sept. 24	Care Net National Conference Washington, DC Dan Busby, Presenter
Oct. 15-16	ECFA Standards Committee Meeting Portland, OR
Oct. 17-18	ECFA Board of Directors Meeting Portland, OR
Oct. 25	NAAG/NASCO Conference Washington, DC Paul Nelson
Nov. 8-9	Independent Sector Chicago, IL Paul Nelson, Presenter

Endowments

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donors would believe they are making permanently restricted gifts (based on the common definition of the word "endowment") of which only the earnings may be used for operations.

If a charity promotes a gift-giving opportunity as one that "endows" a specific project or program, and the charity plans to expend the gifts as they are received, it has misused the term endowment. The "endowing" of a specific project or program implies that the money will not be expended currently.

Summary. Endowment funds can be an important part of a ministry's fund-raising program. They require proactive planning by the organization's board and clear understanding of the related legal and accounting issues, consistent communication with donors, and the handling of the endowment funds with integrity and according to the wishes of the donors.

• **California nonprofit bill.** As we go to press, SB 1262 has been passed by both chambers of the California legislature and awaits the Governor's signature to become law.

If signed into law, nonprofits with gross revenue of $2 million or more must have annual independent audits (colleges, universities, and hospitals are exempt). Additionally, these charities must establish and maintain independent audit committees. Members of the nonprofit's staff are prohibited from serving on the audit committee.

• **New overtime rules.** The new overtime rules went into effect on August 23. Most parachurch ministries and some churches are impacted by these new rules.

Individuals who earn over $100,000 a year are generally exempt from overtime. The only other employees exempt from the law are those who meet the new duties test, earn $455 per week or more and are paid on the salary basis.

• **2004-5 IRS Guidance Plan.** The IRS has announced it plans to issue guidance concerning the Internet and unrelated business income tax in their 2004-5 Guidance Plan.

• **New Donor Managed Investment (DMI) Account approved.** In a Private Letter Ruling yet to be published, the IRS has approved an innovative program enabling donors to manage the investment of their contributions after making a gift to a charity. With the DMI, donors or their financial advisors are allowed to share their investment success tax-free with the nonprofits they support, while receiving an immediate income tax charitable deduction.

• **Gift annuity rates for 2004-5.** The American Council on Gift Annuities (ACGA) recently recommended the continuation for another year of the current gift annuity rates established July 1, 2003. Most charities use ACGA's recommended rates, although they are not required to do so. For more information, see www.acga-web.org.

• **IRS issues additional HSA guidance.** The IRS recently published Notice 2004-50 which includes extensive information about health savings accounts (HSAs). This notice is in addition to the earlier guidance in Notice 2004-02.

• **IRS encouraged to liberalize FSA rules.** Senator Charles Grassley, chairman of the Committee on Finance, has urged the Treasury Department to change a decades-old policy penalizing employees who use tax-favored flexible spending accounts (FSAs). Since the rule was created administratively, he believes the Treasury has the authority to change it.

Employees forfeit unused FSA balances at the end of the year to the employer under the so-called "use it or lose it" rule. Senator Grassley believes this rule reduces employee participation in FSAs because employees do not want to risk forfeiting their hard-earned money.

• **New advice on supporting organizations.** The IRS is giving its agents new advice on how to process applications from groups seeking charity status as supporting organizations. The "Supporting Organization Reference Guide" may be found at www.irs.gov/eo.

For more information on each of these issues, see the "News" section of the ECFA member website, www.ecfamembers.org.

MEMBER NEWS

Changes to ECFA's Membership

New Members:

1. **Au Sable Institute of Environmental Studies,** Madison, WI
2. **Breakaway Student Ministries,** College Station, TX
3. **Cherry Street Mission Ministries,** Toledo, OH
4. **Cornerstone Schools of Washington, DC,** Washington, DC
5. **Cross International Aid,** Boca Raton, FL
6. **Durham Rescue Mission,** Durham, NC
7. **Footprints International,** Milford, MI
8. **Ground Zero,** Johnson City, TN
9. **Healing Waters International,** Golden, CO
10. **Hope Family Ministries,** Tupelo, MS
11. **Leadership Network,** Dallas, TX
12. **LifeCare Pregnancy Services,** Austin, TX
13. **Los Gatos Christian Church,** Los Gatos, CA
14. **Lower Lights Ministries,** Columbus, OH
15. **Missionary Ventures International,** Orlando, FL
16. **Oak Foundation,** Geneva, IL
17. **Oliver Gospel Mission,** Columbia, SC
18. **PFR Youth Ministry,** Chattanooga, TN
19. **Solid Rock Missions,** Wauseon, OH
20. **UFM International,** Bala Cynwyd, PA
21. **We Care America,** Washington, DC

Name Changes:

1. **Accrediting Association of Bible Colleges,** Orlando, FL, became Association for Biblical Higher Education
2. **International Needs,** Grand Rapids, MI, became IN Network

Voluntary Resignations:

1. **Bible Institute of Hawaii,** Honolulu, HI
2. **David's House Ministries,** Wyoming, MI
3. **Evansville Rescue Mission**, Evansville, IN
4. **Faith in the Family International,** Springfield, VA
5. **Grace Mission to Haiti,** Royal Palm Beach, FL
6. **Movimiento Misionero Mundial,** San Juan, PR
7. **Rocky Mountain Family Council,** Denver, CO

ECFA MEMBER

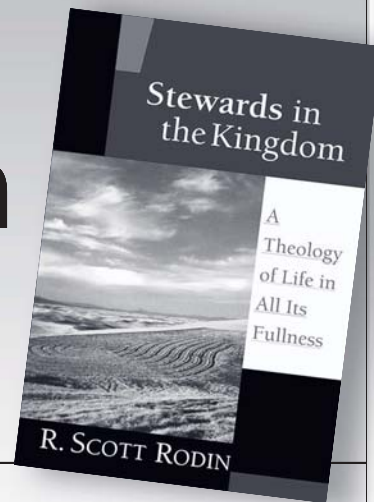
A higher standard. A higher purpose.

ECFA membership is now 1,131 organizations with a combined income of over $10 billion.

Stewards in the Kingdom

by: R. Scott Rodin

224 pages. Softcover



Too often we think stewardship concerns only the money we give to the church, but in the image of the steward, the Bible offers a perspective on our entire relationship with God.

R. Scott Rodin unpacks what it means for us to be stewards in the kingdom of the triune God of grace. This theology of the abundant life, which encompasses all aspects of our world, our life, and our possessions, begins, appropriately, with the very being of our gracious Creator God. From there Rodin dismantles the myth of the two kingdoms, one that is under God's control and one that is not. In so doing, he crafts a portrait of faithful stewards who live as God's children in the one reality that is marked by death behind us and life ahead.

Stewards in the Kingdom

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