



# Addressing the Trust Gap Through Unwavering Integrity

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**Michael Martin**

*President and CEO, ECFA*

**“If mistrust were a disease, the United States would be facing an epidemic. Over the last half-century, trust in American institutions has steadily declined, and this mistrust has rapidly increased in recent years.”**

– Pew, October 17, 2024



# Overview

1. What is the “trust gap”?
2. Why does it matter?
3. How can we enhance trust?



# Where there's trust, there's triumph.

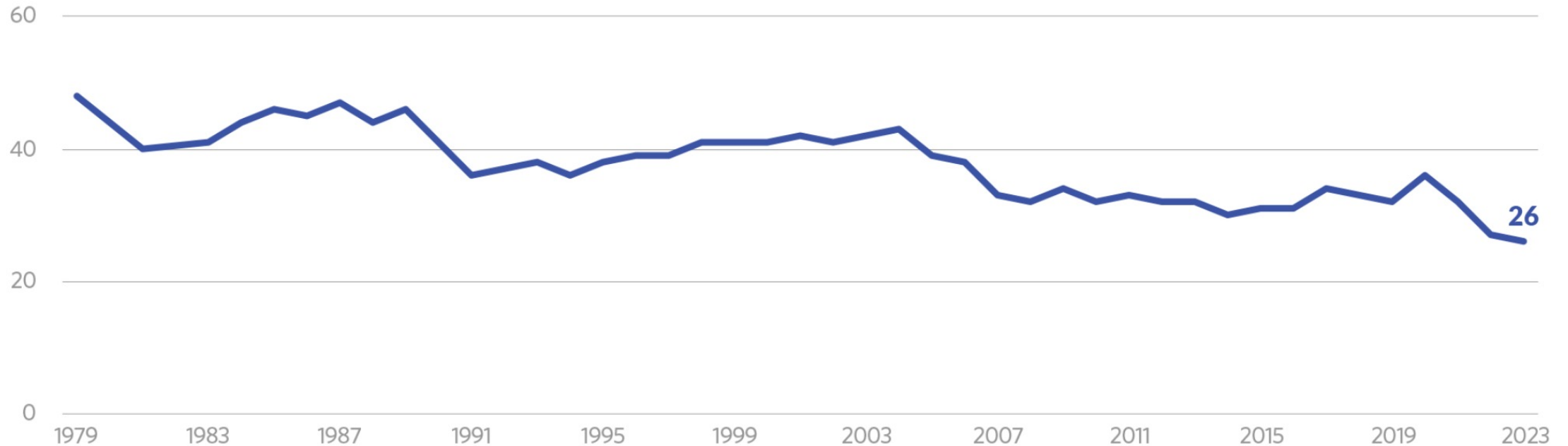
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reputation so you can focus on  
reaching the world for Christ.

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## AVERAGE CONFIDENCE IN MAJOR U.S. INSTITUTIONS, 1979-2023

Average percentage of U.S. adults who have a great deal or quite a lot of confidence in 9 institutions measured consistently by Gallup

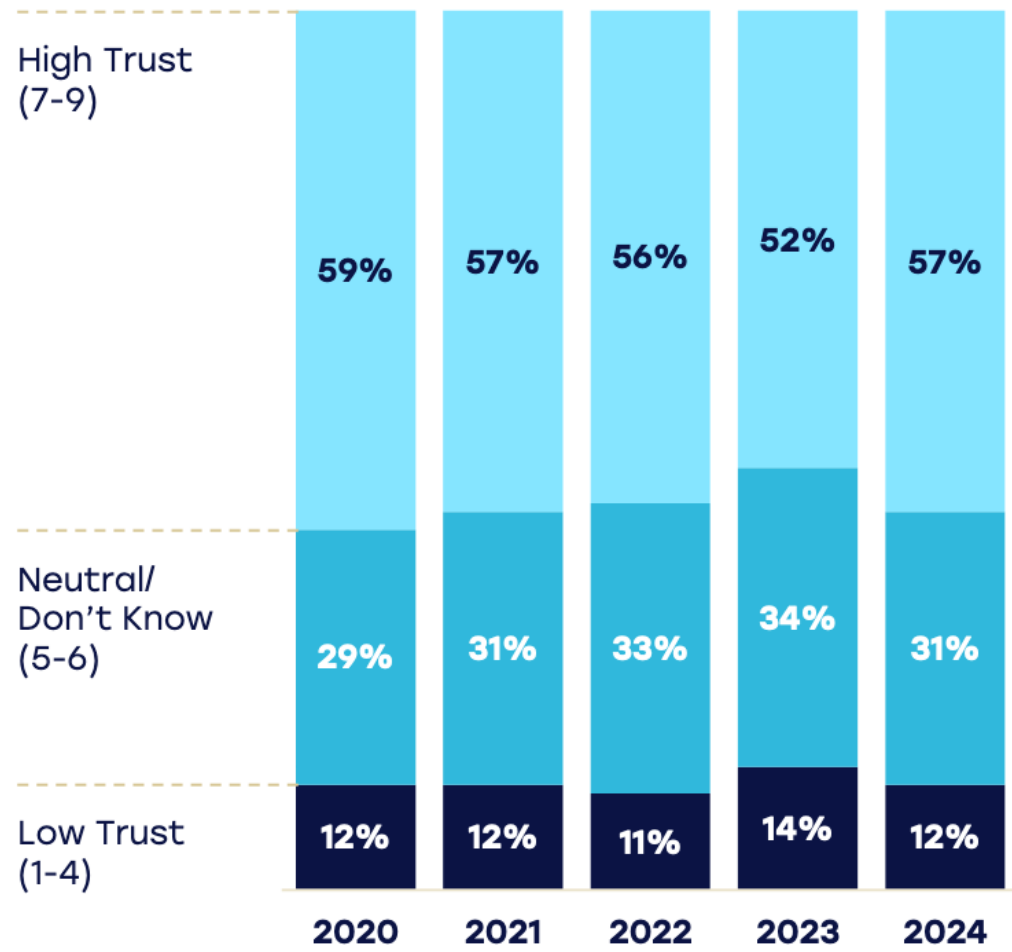


The average includes only those institutions rated consistently by Gallup since 1979. These are the church/organized religion, the military, the Supreme Court, banks, public schools, newspapers, Congress, organized labor, and big business.





**NONPROFITS**





# A DECLINE IN TRUST ACROSS AN ARRAY OF INSTITUTIONS

Gallup regularly surveys Americans on their trust in a range of institutions, and most have shown steep declines. U.S. adults who said in 2024 they had a great deal or quite a lot of trust in:

## Church or organized religion



32%



Down from  
**65% in 1973**



# Trust =

- “**Assured reliance** on the character, ability, strength, or truth of someone or something” (Merriam-Webster)
- “Freedom from suspicion/doubt” (Oxford)
- “A belief that a given organization will **operate with integrity**” (Jacob Harold)





# Poll Question

**Are you concerned by growing levels of public distrust?**

- Yes
- No
- I'm not sure



# Why Trust Matters

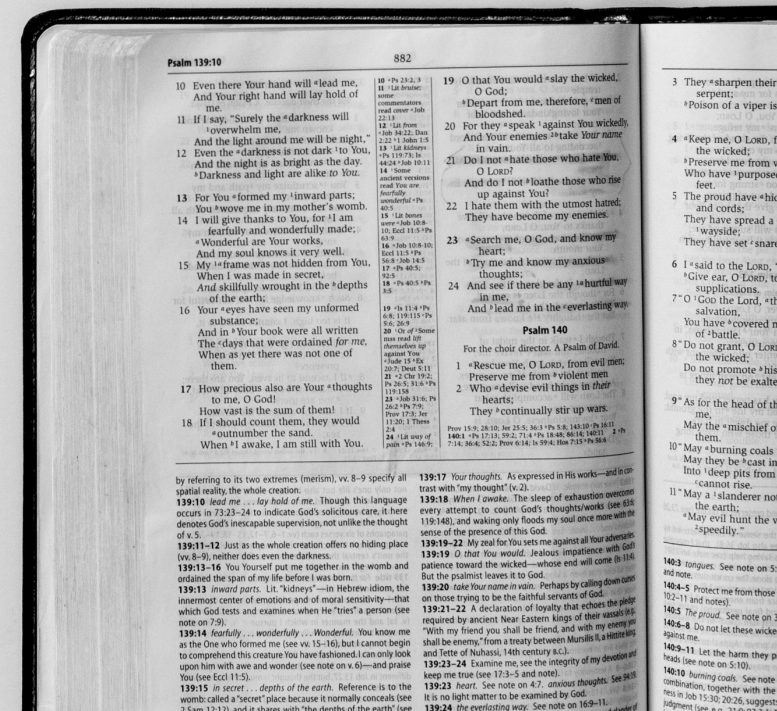
## Biblically

### The Bible calls us to be above reproach.

- 2 Corinthians 8:20-21
- Reputation with God and the public

### We are called to be good stewards.

- 1 Peter 4:10
- Both as an organization and as a donor



# Why Trust Matters

## An Alert Society

1. Everyone has a platform.
2. Donors are watching – there are more ways to learn about ministries and their use of funds through the internet now than ever before.
3. Transparency is crucial!



# Top Reasons for Lacking Trust

- Scandals
- Mismanagement
- Perception of bad intentions
- Lack of transparency
- Lack of connection to the cause



# When Trust Is Lacking...

- Declines in giving
- Difficulty recruiting staff and volunteers
- More government regulation
- Barriers to reaching those we aim to serve



# When Trust Is Strong...

- Generosity increases
- Greater buy in to the vision from staff and volunteers
- Less government regulation
- Accelerated impact in reaching those we aim to serve



↓ Trust = ↓ Speed ↑ Cost

↑ Trust = ↑ Speed ↓ Cost

Trust is tangible. Formula by Stephen M.R. Covey in *Speed of Trust*.



**To be a trustworthy organization,  
model high standards of integrity.**



# ECFA's Seven Standards of Responsible Stewardship™

Commitment to High Standards of Biblical Stewardship



**Doctrinal  
Issues**



**Governance**



**Financial  
Oversight**



**Use of  
Resources &  
Compliance  
with Laws**



**Transparency**



**Compensation  
Setting &  
Related-Party  
Transactions**



**Stewardship of  
Charitable Gifts**

# Self-Assessment – Am I in Compliance?

## Governing Board Responsibilities 10 Essential Duties

ECFA's **Seven Standards of Responsible Stewardship™** place great emphasis on strong, effective governance. The importance of an active, informed governing body cannot be overemphasized. Left unchecked, even minor board neglect can eventually intrude upon the accountability and effectiveness of the ministry.

Included in ECFA standards are many broad responsibilities of a governing board such as being well informed and committed to board service, assuring financial vibrancy of the ministry and charting the long-range strategy of the organization in partnership with the top leader.

**Also included in the standards are very specific actions that must be routinely performed by the governing board. This checklist is designed to help your organization's governing board plan and perform these routine requirements.**

-  ☐ **#1:** Conduct at least two board meetings per year, ensuring that majority of board members present are "independent"
-  ☐ **#2:** Maintain proper minutes of board meetings and executive committee meetings
-  ☐ **#3:** Perform annual review of top leader performance
-  ☐ **#4:** Annually document designation and approval of **minister's housing allowance**

## Integrity Tune-Up

ECFA's **Seven Standards of Responsible Stewardship™**, drawn from Scripture, are fundamental to operating with integrity. Accountability to God is vital, but people form their impressions of both people and organizations by looking at the outward appearances.

Governance, compliance with laws and stewardship of charitable gifts, all areas covered in ECFA standards, can either enhance or erode trust in a church or ministry. The items below were gathered by ECFA's team of CPAs and other professionals and are based on their review of ECFA membership applications, membership renewals and Standards Check-Ins.

Use this Integrity Tune-Up to assess how strong your organization is in these areas, and to help your organization enhance trust with donors, key relationships, ministry partners and the watching world.

### Strong Governance

-  **Do you approve top leader compensation?** Annually approve top leader compensation package, even if amount does not change. Document approval in meeting minutes. [Click here for steps on approving comp. that is over \\$150,000.](#) ☐ YES ☐ NO
-  **Do you approve related-party transactions?** Adopt conflict of interest policy covering board members and key staff to address related-party transactions, ensuring the transaction is in the best interest of the ministry. [Find a sample policy here.](#) ☐ YES ☐ NO
-  **Do you maintain appropriate board/committee meeting minutes?** Document in meeting minutes the actions taken by the board, including enough detail to support actions. Any committees used should also maintain minutes and provide those minutes to board for necessary action. [See sample minutes here.](#) ☐ YES ☐ NO
-  **Do you approve CPA engagement and meet with CPA in executive session?** Obtain board approval of engagement or retention of independent CPA and document approval in meeting minutes. [Learn about strong financial oversight here.](#) ☐ YES ☐ NO

## Charitable Gift Stewardship Year-End Reminders

Creating an environment of sound stewardship of charitable gifts will not only assist a church or ministry in complying with laws but will also increase trust with donors. ECFA's Seven Standards of Responsible Stewardship™ address the stewardship responsibilities for member organizations.

Year-end provides an opportunity to encourage generosity among your donors and help them maximize the tax benefits of their generosity. This checklist is designed to help your organization complete its year-end responsibilities in an appropriate and timely manner.

-  ☐ **Receipt the right kinds of gifts.** Tax law requires a gift acknowledgment be issued for all single gifts of \$250 or more, cash and non-cash. All gifts of currency (bills or coins), regardless of amount, require a receipt. Volunteer time, services or use of property should not be receipted. Gifts from Donor Advised Funds and IRAs can be acknowledged by a letter or thank you but should not be receipted the same way as gifts of cash.   
  Consider informing volunteers that unreimbursed out-of-pocket expenses related to their volunteer service may be deductible.
-  ☐ **Include the right information on receipts.** Proper gift acknowledgments will be in writing, dated, and include the ministry name, giver name, date of the donation, amount of cash donated or a description of the donated property. A statement explaining whether the goods or services were provided in exchange for the contribution must also be included.   
  Year-end giving statements do not have to be stale and boring to be compliant with tax law! Use them creatively to communicate stories of impact the giving had on the ministry.
-  ☐ **Receipt the right person at the right time.** Charitable deductions claimed on a tax return without a gift receipt may be disallowed by the IRS. Gift receipts must be issued to givers by the earlier of the due date of their federal tax return, plus any extension, or by the date the return is filed. It is generally only appropriate to issue a gift receipt to the person/entity named on the check/bank draft or the credit card holder, or the person/entity transferring ownership of a non-cash gift (except in cases when a person is acting as an agent for others).



## Standards of Biblical Stewardship



### Independent, Responsible Board Governance

The importance of an active informed governing body cannot be overemphasized. Left unchecked, even minor board neglect can eventually intrude upon the accountability and effectiveness of the ministry.

# Poll Question

**Does your organization's governing board have a majority of independent members?**

- Yes
- No
- I'm not sure



# Integrity Tune-Up: Governance



## Do you maintain appropriate board/committee meeting minutes?

Document in meeting minutes the actions taken by the board, including enough detail to support actions. Any committees used should also maintain minutes and provide those minutes to board for necessary action.

[See sample minutes here.](#)

☐ YES

☐ NO



## Do you approve CPA engagement and meet with CPA in executive session?

Obtain board approval of engagement or retention of independent CPA and document approval in meeting minutes. [Learn about strong](#)

[financial oversight here.](#)

☐ YES

☐ NO

# Integrity Tune-Up: Governance



**Do you approve top leader compensation?** Annually approve top leader compensation package, even if amount does not change. Document approval in meeting minutes. [Click here for steps on approving comp that is over \\$150,000.](#)

☐ **YES**

☐ **NO**



**Do you approve related-party transactions?** Adopt conflict of interest policy covering board members and key staff to address related-party transactions, ensuring the transaction is in the best interest of the ministry. [Find a sample policy here.](#)

☐ **YES**

☐ **NO**



## Standards of Biblical Stewardship



### Appropriate Transparency

**The default position should be disclosure, not secrecy.**

Far too often, charities approach the transparency issue by asking: “What do we have to disclose?” This assumes the default position is secrecy—that unless there’s a clear requirement for the disclosure of certain information, that information should be kept secret.



A better question is “What do we need to keep confidential?” This question assumes that the default position is disclosure.

## Standards of Biblical Stewardship



### Use of Resources and Compliance with Laws

Reasonable procedures must be established to ensure that all funds are used in conformity with applicable laws and regulations and to fulfill the exempt purposes of the organization.

# Integrity Tune-Up: Compliance with Laws



**Do you conduct ministry outside of the U.S.?** Appropriate international financial oversight includes compliance with U.S. tax law and OFAC procedures, maintaining discretion and control over funds received, and ensuring international grants are consistent with exempt purpose of ministry. [This eBook can help!](#)

☐ YES  
☐ NO



**Do you provide minister's housing allowance?** If so, it must be officially and properly designated by the organization in advance of payment. Provide this [housing allowance worksheet](#) to help ministers decide how much to designate.

☐ YES  
☐ NO



**Do you have strong financial oversight?** Provide reasonable assurance that operations are carried out and resources are used in a responsible manner by evaluating your performance on the [financial conditions described here](#).

☐ YES  
☐ NO

## Standards of Biblical Stewardship



# God-Honoring Fundraising Practices

### Truthfulness

- Everything done in the name of our Lord should reflect the truthfulness that's in keeping with His character.
- In deciding whether to support a particular ministry or program, those who donate to Christian ministries rely on the information the ministry provides. Therefore, organizations have the responsibility to represent facts truthfully when communicating with donors.
- Communicate appeals accurately, completely, and truthfully.

# Integrity Tune-Up: Sound Stewardship



**Do your appeals communicate truthfully with donors?** When raising funds, all information in appeals should be current, complete and accurate. Look at your appeals as if you were a prospective donor to discern if they include all information you would want to know. [Assess yourself further here.](#)

☐ YES  
☐ NO



**Do you use matching or challenge gifts?** These incentive type gifts have potential for great benefit, but also great misunderstanding. A matching gift is one that is at risk of not being received, in part or full, if other donors don't give. A challenge gift is one that will be received even if other donors give nothing. Avoid the use of "multiplier" language with challenge gifts. [Learn more here.](#)

☐ YES  
☐ NO



**Do you use proper wording on appeals?** Use IRS suggested language regarding deductibility of gifts on appeals and web pages, letting donors know gifts are deductible to the extent allowed by law. If you use a deputized fundraising model communicate to donors that you maintain discretion and control of all gifts. [Learn more here.](#)

☐ YES  
☐ NO

## Standards of Biblical Stewardship



# God-Honoring Fundraising Practices

### Donor expectations and intent

- Abiding by giver intent is one of the most important evidences of integrity when a ministry raises resources.

# Five Commandments of Giver Intent

1. Thou shalt be very intentional in communicating giving opportunities, so it is clear to potential givers whether general-purpose or specific-purpose gifts are sought
2. Thou shalt expend specific-purpose gifts in consistency with the giver's intent
3. Thou shalt segregate the revenue and expenses relating to each type of specific-purpose gift in the accounting records to document compliance with giver intent





# Five Commandments of Giver Intent

4. Though shalt give special attention when specific purpose gifts are insufficient to carry out giver intent or when specific-purpose gifts exceed the amount required to carry out giver intent
5. Thou shalt not use a policy or board decision as the basis to override giver intent



## Standards of Biblical Stewardship



# God-Honoring Fundraising Practices

### Charitable gift communication

- Donors should be provided with appropriate and timely charitable gift acknowledgements.
- For gifts of services or the use of facilities at no cost, only appreciation should be expressed, since the fair market value of these gifts is not tax-deductible.

## Standards of Biblical Stewardship



# God-Honoring Fundraising Practices

### Adopt a Gift Acceptance Policy

- Establishes guidelines in advance to deal with more complex gift forms.
- Outlines necessary due diligence related to certain gifts, such as real estate
- What will you receive?
- What restrictions will you accept?
- Ability to say “no” to certain gifts
- Manage the expectations of donors

# New ECFA Leader Care Standard

- Multi-year research and discernment process.
- Focused on supporting healthy leadership through the board's proactive care for the holistic well-being of the senior leader.
- Gives ECFA-accredited members much latitude to implement a process that is best suited for their context, and meets the spirit of the standard.



# Examples of Leader Care Plan Elements

- The board commits to a pattern of regular prayer for the organization's senior leader, as well as for his or her family.
- The board expects the senior leader to take appropriate time off from work each week.
- The board expects the senior leader to obtain annual physical health examinations and maintain a proactive relationship with healthcare providers (including counselors, as appropriate) to support the leader's physical and mental health.



# Examples of Leader Care Plan Elements

- The board encourages the senior leader to maintain healthy, supportive personal relationships outside of the organization that allow the leader to safely decompress from work obligations.
- The board encourages the senior leader to have a relationship with a pastor or equivalent to serve as the leader's spiritual mentor and counselor.
- At appropriate intervals, the board offers the senior leader specific opportunities for extended personal rest and spiritual growth (retreats, sabbaticals, or similar experiences).



# Recognize the Real Pressures and Demands of Ministry Leadership

“After decades of leading in Christian ministry, I have discovered that the integrity of an organization is often closely connected to the integrity of its senior leader. I have also found that the most painful mistakes are made when a leader feels alone, weary, and emotionally overwhelmed in his/her journey of doing good. I wholeheartedly support ECFA’s bold vision to encourage boards to support soul care for their organization’s senior leader. As the leaders go, so goes the organization.”

**Dr. Derek Grier**

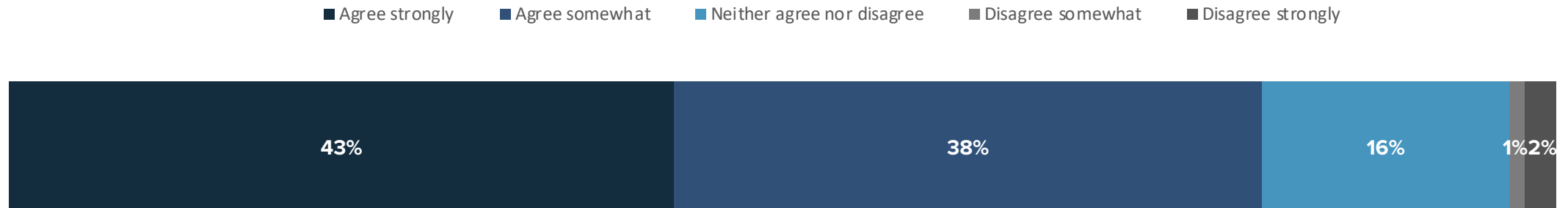
BISHOP AND CEO  
GRACE CHURCH





# Trust and Pastoral Care Prioritization (Barna)

*“As a donor, it would help strengthen my trust in churches and ministries if they took steps to **proactively care for their leader’s health and holistic integrity**.*”



*n=191 U.S. Protestant adults with 2023 charitable giving of >\$500, 31 - February 5, 2024;*



# Poll Question

**Do you see a need for greater leader care by the boards of nonprofits and churches?**

- Yes
- No
- I'm not sure



**Education:** During 2025, ECFA will continue to educate and equip members through conferences, webinars, sample policies, and other resources.

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**Prayer:** Please join us in praying for the impact that proactive care can have on not only senior leaders but also the entire organization.

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Learn more by visiting [\*\*ECFA.ORG/LEADERSHIPSTANDARD\*\*](https://ecfa.org/leadershipstandard)



# Action Steps to Enhance Trust

1. Access ECFA resources – [www.ECFA.org](http://www.ECFA.org)
2. Engage with our team – [info@ECFA.org](mailto:info@ECFA.org)
3. Become ECFA-accredited – [www.ECFA.org/Join](http://www.ECFA.org/Join)



# Resources Available



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with this QR Code




# Resources Available



Register for the  
upcoming webinar



 **ECFA WEBINAR**

**NOV 19 | 1 PM ET**

## 2024 State of Giving and Financial Outlook

Speakers: Warren Bird & Jake Lapp



[\*\*ECFA.org/Webinars\*\*](https://ecfa.org/webinars)

**“Our responsibility is to give the world the  
right impression of God.”**

– John Wesley







# Addressing the Trust Gap Through Unwavering Integrity

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**Michael Martin**

*President and CEO, ECFA*