

**Stewardship of the Mission and Risk: Policy Development and Protocol
Establishment with Standards to Foster a Culture of Integrity before God and Man**

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What does the stewardship of mission and risk have to do with fostering a culture of integrity before God and man? Everything! When a church or ministry fails to steward risk, the pursuit of the mission can meet an abrupt end. But when overseers and administrators steward risk carefully, the process can guide the churches and ministries they serve to great fruitfulness instead. Why? We tend to think of risks as bad. While risk points to uncertainty, risk events can have positive outcomes, referred to as opportunities, when managed within a framework (Frohnhofer, 2019).

The pandemic with heightened volatility, uncertainty, complexity, and ambiguity revealed that strategic plans do not help churches and ministries in crisis because they make assumptions and crafted schemes about the future, behavior that biblical texts warn against (cf. Matthew 6:25-34; James 4:13-17). Alternatively, those with enterprise risk management (ERM) frameworks not only survive the pandemic but thrived by maximizing unanticipated opportunities, such as by pivoting onsite programs online. But how can church and ministry workers develop a framework that stewards the mission and risk from a Christian perspective as few voices outside the corporate world talk about it? This marks the task of this study.

The investigation has three steps. (1) We start by looking at board governance and policy development from a biblical perspective. This step explores how our faith informs our oversight and suggests steps that churches and ministry boards can take to set policy related to risk. (2) We move to the administrative level and consider protocol establishment. This step calls church and ministry staff to take responsibility and report strategic activity related to risks. (3) We envision an ERM framework that any church or ministry can implement to foster a culture of integrity before God and man. This step concludes with practical application.

(1) Board Governance and Policy Development from a Biblical Perspective

Boards of churches and ministries that make obedience to God the key filter for decision-making and risk management choose a narrow path that few people find and take (Hoag, Willmer, and Henson, 2018). For biblical examples of narrow path oversight, see the Council of Moses (Numbers 11) and the Jerusalem Council (Acts 15). Overseers on the narrow path have lives marked by surrender, obedience, humility, and submission to the Spirit.

A common path or corporate approach to governance has no such filter that ensures obedience to God. For biblical examples of common path oversight, see the Sanhedrin (John 11) and the Council of Ephesus (Acts 19). Overseers on the common path tend to exhibit control, idolatry, and pride (Hoag, Rodin, and Willmer, 2014). Related to risk, boards that value obedience to God appear as servants “who have risked their lives for the name of our Lord Jesus Christ” (Acts 15:26), while those who do not value obedience to God focus on self-preservation, gaining money, and surpassing competitors (Hopkins and Thompson, 2022).

Once we choose obedience to God as the key filter for governance decisions, it leads us to study the Scriptures rather than secular sources for insights related to risk. This study highlights two texts. We begin with one from the Old Testament, Proverbs 27:23-27.

Be sure you know the condition of your flocks, give careful attention to your herds; for riches do not endure forever, and a crown is not secure for all generations. When the hay is removed and new growth appears and the grass from the hills is gathered in, the lambs will provide you with clothing, and the goats with the price of a field. You will have plenty of goats' milk to feed your family and to nourish your female servants.

This text tells us to know the condition of our flocks and give careful attention to our herds. It warns us that not to find security in our present condition. It calls us to gather information and ensure responsible action. Those who steward such risks have plenty for themselves and for blessing others. Those who choose not to steward such risks will not endure. Applied to church and ministries settings, careful stewardship of mission and risk can contribute to sustainability.

Our second text comes from in the New Testament teachings of Jesus. In Matthew 24:45-51, we see steep upside risk and downside risk related to obedience and stewardship.

“Who then is the faithful and wise servant, whom the master has put in charge of the servants in his household to give them their food at the proper time? It will be good for that servant whose master finds him doing so when he returns. Truly I tell you, he will put him in charge of all his possessions. But suppose that servant is wicked and says to himself, ‘My master is staying away a long time,’ and he then begins to beat his fellow servants and to eat and drink with drunkards. The master of that servant will come on a day when he does not expect him and at an hour he is not aware of. He will cut him to pieces and assign him a place with the hypocrites, where there will be weeping and gnashing of teeth.”

The text pivots on whether the servant demonstrates faithful and wise behavior. This links to the attention and actions of the servant. The faithful steward can anticipate growth and blessing associated with obedience. The unfaithful one exhibits a selfish lack of sobriety and experiences the same demise as hypocrites, those whose words and actions do not match.

This biblical foundation should spur church and ministry boards to set policy in a manner that keeps obedience to God as the key filter for decision-making and risk management, gathers information, and ensures responsible God-honoring action. After all, the churches and ministries we serve belong to God and not us. From these texts, we find our first two ERM steps: research and risk stewardship. Research relates to identification, and risk stewardship sorts and assigns risks to overseers to set policy according to standards and best practices.

(1) Research – Though the research aims and stakeholder groups in the corporate world differ widely from church and ministry sectors, research for risk identification marks the first step of developing an ERM framework (Hopkins and Thompson, 2022). Stakeholders help bring into view three kinds of risks for churches and ministries: preventable, strategic, and external risks (Busby, 2015). Preventable risks include things such as: statement of faith, governing documents, policy manuals, government status, legal compliance, financial controls, insurance coverage, and succession planning. Strategic risks might range from deciding to

build a new facility, expand to a nearby region, or add additional programs. External risks, by definition, might come from larger social, economic, religious, or environmental factors like cybersecurity, persecution, or natural disasters. By putting these categories in a survey, we empower stakeholders to aid us in identifying the risks that our churches and ministries face.

(2) Risk Stewardship – From there, sorting the risks marks the next step to managing them. Writers hold a variety of views on how to sort risks, though a best practice for churches and ministries suggests that you divide the risks among your board committees (Busby and Pearson, 2019). For example, assign financial risks (stewardship of accountability, fiscal oversight, and infrastructure risks) to the Finance and Audit Committee, give operational risks (stewardship of staffing and succession planning, continuity of operations, and security risks) to the Programs and Standards Committee, entrust reputational risks (stewardship of character, crisis management and communications, data protection and privacy risks) to your Partnership and Communications Committee, and share institutional risks (stewardship of legal and regulatory compliance, and governmental intervention risks) with your Governance and Compliance Committee.

When a board calls for a periodic survey (annually or periodically) and asks committees to steward some risks, it taps their expertise to set policy for maximizing opportunities and minimizing the negative impact of preventable risks. Policies from committees will likely include implementing financial controls and doing an annual audit (Hall, 2021), having an investment policy, making board members sign an annual conflicts of interest declaration, doing periodic legal review of governance documents, adopting a crisis management plan and a succession plan, adopting privacy and data policies, and many more. This risk stewardship empowers the staff to identify people and protocols to comply with board policy. A board that keeps obedience to God as the key filter for decision-making and ERM, does research, and stewards risk exhibits faithful governance and demonstrates diligent policy development.

(2) Administrative Protocol Establishment with Standards from a Strategic Perspective

The board has called for research and sorted risks with committees to steward and set a series of policies. What happens next? We shift from biblical oversight to strategic administrative actions. So far, the ERM framework aligns with our faith and guides the actions of the staff. Next, we build on the work of doing research and ensuring risk stewardship by add the two administrative steps to our ERM framework: responsibility and reporting.

(3) Responsibility – The role of the administration appears as taking responsibility for identifying who will perform the faithful and wise work. This happens remembering that processes do not steward risk, people do. The identified person often has to perform the task with sensitivity to time. For example, to address the preventable risk linked to fiscal oversight, the board might call for an independent financial audit. The CEO would, in response, assign this risk to the CFO to address with independent financial auditors on an annual basis. Notice how the enterprise manages risk here. The board sets policy, and the CEO takes responsibility by assigning it to the CFO, who performs the task on an annual basis.

Consider another example, this time featuring a strategic risk. A board might express concern regarding doing program work in a new region or a dangerous place. The CEO might, in response, suggest that staff precedes any work with prayer and discernment, then proceeds in pairs or groups hosted by national workers to manage the risk, and writes a trip report at the end. In this case, the board identifies the strategic risk. The staff responds by mapping protocol or standard operating procedures and follows them related to doing work in such locations.

A board may also ask the CEO how the institution will handle external risks. During the pandemic, the external risk of illness posed a threat to travelers. As addressing external risks happens on a case-by-case basis, the CEO could report a crisis management plan to the board that the person in charge of HR (human resources) would follow if a staff member got sick while traveling to ensure the afflicted person got help to make it safely home.

(4) Reporting – The previous point, responsibility, assumes that staff give some sort of account for the stewardship of risk. But that does not always happen. At GTP, to build a culture of integrity, we often say that faithful work is not completed until it is communicated. In the first example, the stewardship of the preventable risk of fiscal oversight requires a deliverable called a financial audit. In the second example, the stewardship of the strategic risk of doing work in new or potentially dangerous places calls for staff to follow trip protocol before, during, and after such a trip, including writing a trip report. In the third example, the CEO might provide a crisis management plan that staff will follow in the event of possible external risks, which would include an element of crisis communication. Notice the role of reporting. It emerges as the vital final step in the stewardship of the mission and risk.

While the staff work of taking responsibility and doing reports may look the same for corporations as it does for churches and ministries, a closer look reveals yet another difference. Corporate and secular groups say that the identified person serves as an “owner” of risk who is “on the hook to cause a result” (Josephs and Rubenstein, 2018). As God owns everything (Psalm 24:1) and God, not people, cause results (1 Corinthians 3:6), the secular line of thinking poses a dilemma for Christian workers. What does it mean to take responsibility and report?

Wise stewards do faithful activities and trust God for the fruits. They do not aim at results but at righteousness. They do not pursue outcomes; they focus on obedience. By this way, God gets the glory and people play their appropriate part (Hoag, Rodin, and Willmer, 2014). Consider the three risk examples again to illustrate this. The faithful work of the CFO links to doing an independent audit. If the CFO is on the hook to cause a result, he or she might be tempted to fudge the numbers. It happens! In the second example, the faithful work appears as writing a trip protocol and a trip report. If the staff member must cause the results, he or she might be tempted to skip steps in advance or misrepresent outcomes in the report. Again, many do this! In the third example, the owner of the risk would likely declare that staff members

could not travel at all because the only way to control the result of avoiding disease would be to ground all the staff. Notice the mission drift linked to risk ownership. It happened to many nonprofits during the pandemic! Acting like owners can get stewards in trouble. “Ownership puts us in bondage. We become enslaved to the things we think we own” (Hoag, Rodin, and Willmer, 2014). The risks took the ministry captive. They abandoned their mission.

In summary, the role of the administration relates to taking responsibility and reporting. Faithful church and ministry administrators do not take responsibility for results but for righteousness (or doing the right things). They do not take responsibility for outcomes but for obedience (taking wise action in service to God). They aim at faithfulness and trust God for the fruits (and report them carefully and accurately). When churches and ministries do this, they grow stronger. This strength enables them to flourish and positions them endure inevitable hard times ranging from persecution and other trials.

(3) A Practical Approach to Enterprise Risk Management for Churches and Ministries

To envision an ERM model that any church or ministry can implement to foster a culture of integrity before God and man, we must retrace our four steps – **(1) Research, (2) Risk Stewardship, (3) Responsibility, and (4) Reporting** – and highlight one key assumption. This entire line of thinking assumes that the church or nonprofit in view has a good board. This represents more than a list of names of good people of character, competence, and commitment on a piece of paper. It means the board members implement policies that guide the CEO to form functional protocols in compliance. Related to this study, the board must have a proverbial compass that guides their stewardship of the mission and risk.

Evangelical Council for Financial Accountability (ECFA) is the peer accountability group (PAG) that accredits churches and ministries to seven standards of responsible stewardship in the USA. This enhances trust in members and grows missional participation in

the form of prayer, giving, and service. ECFA Standard #2 relates to governance. ECFA urges members to follow the best practice of having a Board Policies Manual (BPM). A BPM outlines the role and responsibilities of the board and the CEO in one short, dynamic document. By short, I mean 10-15 pages, and by dynamic, I imply that great boards update it regularly to match the growing needs and changing situation of the institution. So, by design, it appears as the primary tool, practically speaking, to help boards steward the mission and risk.

Boards can adopt a BPM in three steps (Busby and Pearson, 2018). **(1) Commit to the concept.** This happens by reading a simple template which outlines the role and responsibilities of the board and the CEO in one short document. **(2) Adopt or adapt a BPM.** Whether a board uses a template or create their own, they implement a BPM for the institution. This ensures that the board and CEO steward both the mission and risk. **(3) Integrate the BPM in practice.** Use the BPM to guide committee work. Rely on the BPM to guide board discussions. Without a BPM, strong personalities, rather than healthy processes, dictate deliberations and decisions. Stewards can download a free BPM template from GTP in Arabic, Czech, English, French, Russian, Slovak, and Spanish at gtp.org/resources/templates. To see the current BPM for GTP which includes all supplemental policies, visit bit.ly/GTP2025BPM.

In many cases, a CEO, board chair, or board may push back and say they do not need a BPM. Hear what two wise men, Dan Busby and John Pearson, have to say in response.

“Too many boards believe that written policies are unnecessary. After all, everyone knows the board policies—we record them in the board minutes. But watch what happens when a new member joins a board that relies on institutional memories or that presumes that the policy at any given time is whatever the board chair or the CEO says it is. This should not be justification to forego the benefits of the BPM” (Busby and Pearson, 2018).

Notice who stewards the mission and risk without a BPM. It falls into the hands of the board chair or the CEO or both rather than the board. This can limit the life of the church ministry to the length of the service of the board chair and/or the CEO.

When an individual stewards the mission and risk, the ministry dies with that person. This explains why few ministries worldwide achieve sustainability. Notice the predictable path. The work grows by addition. Trials come. The person gets exhausted and has no succession. Risks prevail. The mission dies. Instead, when the board of an institution stewards the mission and risk with a tool such as a BPM and an ERM framework, the work grows by multiplication. It leads to expansion. The board sets policies. Administrators map protocols. Trials come. But the mission and succession continue with the ongoing stewardship of the mission and risk.

Churches and ministries that excel in this area adopt or adapt a BPM, and they implement an ERM framework that repeats four steps annually or every few years: (1) Research, (2) Risk Stewardship, (3) Responsibility, and (4) Reporting. Consider this sample to help church and ministry workers apply this thinking, see “ERM Risks for Committee Stewardship and Staff Support” at bit.ly/GTP2025ERM. This ERM framework reveals the current GTP risks, related policies, the committees stewarding them, the responsible staff, and reporting requirements. The ERM framework for us has been a dynamic process that has grown with the ministry and served us well, helping facilitate multiplication and ministry expansion.

Conclusion

I try to visit a wise Aussie each year. If I serve like Paul, as an apostle for accountability, he is Barnabas, an encourager to me. In biblical terms, he possesses great spiritual wealth and wisdom. As a result, material riches fill his house. Conversations with him range from ordinary things to unforgettable moments. One day, we left his home and city together. We did not visit the outback, but we did venture out into the country. On that outing, I picked his brain regarding what he did to get in a position where God entrusted him with the stewardship of more than one piece of real estate, great wealth, and multiple governance roles. He looked at me and replied, “It’s all about risk, Gary. I have spent my life carefully managing risk.”

This concluding story illustrates the core message of this paper and brings it full circle back to the two biblical texts where we started. We do well to make obedience to God the key filter for decision-making and risk management. We must know the condition of our church or ministry and give careful attention to the people associated with it as stewards of the mission and risk. Faithful and wise stewards give their attention and take appropriate action. The mission and ministry grow with the ongoing stewardship of the mission and risk. Those who do not take these steps meet an unfortunate but avoidable demise. Risks win and the mission dies. What will you do in response to reading this? God is watching.

This study has surfaced a practical pathway for every church or ministry. Biblically, the board does well to commission research, steward risks, and set policy to standards. Strategically, the administrators flourish when they identify the right people to take responsibility and couple their work with diligent reporting. Practically, when the board adopts or adapts a BPM and an ERM framework, they ensure the stewardship of the mission and risk in perpetuity. These steps are not only attainable by large nonprofits. Any group of diligent stewards can pursue them. It requires work. But this faithful and wise work can position any church or ministry to steward the mission and risk in a manner that honors God and positions His work to grow with sustainability while exhibiting integrity before God and man.

To implement the perspective outlined in the paper, churches and ministries do well to follow four steps. First, study the Scriptures as a board to keep obedience your filter for thinking about risk. Second, do the GTP Diagnostic Tool (www.gtp.org/resources/diagnostic-tool/) to identify good governance templates to implement starting with a BPM. Third, talk at the board level about risk management and adopt an ERM framework such as the one outlined in this paper: (1) Research, (2) Risk Stewardship, (3) Responsibility, and (4) Reporting. Fourth, regularly review risks using the same ERM steps to locate new risks for board oversight and staff activity. These steps can help you steward your mission and risk for God's glory.

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Keywords

Biblical, Oversight, Stewardship, Policy, Protocols, Standards, Accountability, Board Policies Manual (BPM), and Enterprise Risk Management (ERM) Framework

Abstract

This paper offers a biblical, strategic, and practical Enterprise Risk Management (ERM) Framework for churches and ministries that has four parts: Research, Risk Stewardship, Responsibility, and Reporting. This ERM Framework, when coupled with a BPM (Board Policies Manual), empowers church and ministry workers to steward the mission and risk with policy development and protocol establishment with standards. In this way, boards and administrators foster a culture of integrity before God and man and help churches and ministries flourish.

We start by looking at board governance and policy development from a biblical perspective. This step surfaces fundamental differences between governance and risk management in the corporate world as compared to church and ministry settings. Boards of churches and ministries that make obedience to God the key filter for decision-making and risk management go to Scriptures like Proverbs 27:23-27 and Matthew 24:45-51 rather than secular sources for guidance on the stewardship of mission and risk.

From there, we determine that boards of churches and ministries do well to approach the stewardship of mission and risk with two steps: (1) Research and (2) Risk Stewardship. The research step surfaces and includes examples of three kinds of risks: preventable, strategic, and external risks. From there, risk stewardship means sorting the risks and entrusting them with the committees on the board to tap the expertise of overseers and set policy for the staff. This sets the stage for part two and the two remaining steps of the ERM Framework.

We move to the administrative level and consider protocol establishment through (3) Responsibility and (4) Reporting. Church and ministry staff must take responsibility and report strategic activity related to risks. It highlights the faithful role of the staff related to preventable, strategic, and external risks. Again, this step reveals that the language and approach to risk management in the corporate world – describing people as “owners” of risk who are “on the

hook to cause a result” – differs from the church and ministry sector and may contribute to instances of fudging numbers, misrepresenting outcomes, and even mission drift.

We conclude by stating that ERM framework will not work without a good board. Rather than assume a church or ministry has such a board, we suggest the ECFA best practice of adopting a Board Policies Manual (BPM). A BPM states in one document the role and responsibilities of the board and the CEO. This written document holds the board and CEO accountable to faithful service which includes implementing an ERM Framework. With the BPM, the church and ministry can steward the mission and risk for sustainability with integrity.

About the Author

Gary G. Hoag, Ph.D., serves as President & CEO of Global Trust Partners (www.gtp.org). In obedient service to Jesus Christ, GTP multiplies faithful stewards and mobilizes peer accountability groups to build trust and grow local generous giving to God’s work. He received his Ph.D. in New Testament from Trinity College, Bristol, UK, teaches at seminaries around the world, posts *Daily Meditations*, and has written or contributed to more than fifteen books. He lives in Denver, Colorado, USA.