

**Abstract**  
**of**  
**FINANCIAL MANAGEMENT OF CHURCHES IN MIZORAM:**  
**A COMPARATIVE STUDY OF**  
**BAPTIST AND PRESBYTERIAN CHURCHES**

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## **PREFACE**

Mizoram located in the north eastern corner of India is known mainly for its high literacy rate. The state is in the limelight recently for its ‘shops without keepers’ and the capital Aizawl as ‘city of no honking’. People who visit Mizoram often wonder why all the shops are closed and why the state wore a deserted look without any activities to be noticed on Sundays. The only people to be seen in the streets on Sundays are well dressed people who are going to and coming from churches.

This shows the extent of influence of churches in the state socially and economically. A deeper inquest will find the role played by churches for free and fair election of political leaders. The impact of Christianity on Mizo society and the role played by church in the life of the people of Mizoram is enormous and rather unique. The social, cultural, economic and even the government policies are adjusted to suit the obligations of church. The influence of church in Mizoram is not restricted to the state only. The churches in Mizoram also run and control a number of churches and institutions mostly of religious, academic and health throughout the country, mainly in the neighboring states.

Mizoram has been witnessing a number of instances in recent years when a church split or a new church denomination formed, which are attributable to mismanagement of funds. The consequence of these incidents is a new focus on financial management of churches. The people started to question how their offerings and contributions to church are managed and spent. However, there are no study and research to prove the quality of financial management of churches in the state. This research is an attempt to fill that gap.

The study select two churches- Baptist Church of Mizoram and Mizoram Presbyterian Church, which are the second and the first church to be set up and the second and the largest church in the state at present, respectively. This study investigate and compare the financial management of the selected churches by identifying the sources & utilizations of funds, analyzing financial statements, evaluating financial management practices & skills, and offer suggestions based on findings. The study also evaluated conformity of financial & investment policies of the selected churches with the existing laws that govern religious organizations.

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## **CHAPTER 1: INTRODUCTION**

Finance is the lifeblood of any organization; no operations and activities can be imagined without it. It provides security, stability and flexibility to all profit and non-profit organization in order to meet the organizational demands. Non-profit organizations obtain significant funds from voluntary contributors who expect no product or service in return, but are concerned with whether their contributions and donations are spent on the intended purpose. Religious institutions are one group of non-profit organizations that receive funds in the form of offerings, donations and contributions from the public.

### **Financial Management**

Financial management is an integrated and composite subject, which is the use of accounting knowledge, economic models, mathematical rules and aspects of system analysis and behavioral science for the specific purpose of assisting management in its functions of financial planning and control (Francis, 1983). It involved planning, directing, monitoring, organizing and controlling monetary resources of an organization.

### **Financial Management of Churches**

The first instance of management in church and its finance can be traced back to the 1<sup>st</sup> Century AD, when seven deacons were elected to serve the church and its members (Bible Gateway, 2015). Churches make up a significant proportion of organizational activity in many countries, and tend to control a sizeable portion of human and financial resources of society (Laughlin, 1990). Lack of quality financial policy and management can hinder the responsibilities of church leaders, placing them in a position whereby they are tempted to engage in questionable accounting activities and practice or could subject individuals to unwarranted accusations (Lightbody, 2000).

As nearly ninety percent of the state's populace and almost cent percent of the ethnic Mizo are Christians, churches have a deep influence on the people of Mizoram not only in the religious and spiritual life, but also in the social, political and economic life. Mizoram has been witnessing a number of instances in recent years when a church split or a new church denomination was formed which can be attributed to mismanagement of funds.

## **Churches in Mizoram**

Arrival of Christianity in Mizoram was a result of frequent raids of British tea plantations at Assam by the Mizo and the consequent retaliatory British military expeditions called the Lushai Expedition of 1871 and 1890. Mizoram, then called as Lushai Hills, was subsequently annexed to the British Empire. This opened the gateway for British Christian missionaries to evangelize the Mizo people (Saiathanga, 1969).

By the end of 20<sup>th</sup> century, Mizoram became one of the most Christian populated states in India. Mass conversion within half a century and frequent bursts of revivals among the Mizo led to births of numerous denominations of Christianity in Mizoram which are found nowhere else (Lloyd, 1991).

The major churches in the state are Mizoram Presbyterian Church, Baptist Church of Mizoram, United Pentecostal Church (North East India), The Salvation Army, United Pentecostal Church (Mizoram), Evangelical Church of Maraland, Seventh Day Adventist, Lairam Jesus Christ Baptist Church and Roman Catholic (Statistical Handbook Mizoram, 2019).

## **SIGNIFICANCE AND SCOPE OF STUDY**

The impact of Christianity on Mizo society and the role played by church in the life of the people of Mizoram is enormous and rather unique. The social, cultural, economic and even the government policy are adjusted to suit the obligations of church in this small state located in the north eastern corner of India.

The significance of the study lies in the incidents and reports of mismanagement of church's funds in recent years and its effect in a church dominated state of Mizoram (Zozam Weekly News, 2009, 2011). The consequence of these incidents was a new focus on church's financial management. The people started to question how their contributions to the church in the form of tithes, donations and other forms of contributions are managed and spent.

However, there are no studies and researches on financial management of churches in the state to prove the reports and assumptions of mismanagement of church funds. This necessitates a study to evaluate and examine the means of collection, expenditure, financial management, financial rules and practices of churches in Mizoram.

Therefore, in this study the financial management of the two largest churches in Mizoram, viz., Baptist Church of Mizoram and Mizoram Presbyterian Church has been selected as the topic of research.

Mizoram Presbyterian Church is the first church to be set up in Mizoram and is currently the largest church in the state. Baptist Church of Mizoram is the second church to be set up and is presently the second largest church in the state in terms of member. Baptist Church of Mizoram is the largest church in south Mizoram and the Mizoram Presbyterian Church is the largest church in the north. Most of the various church denominations existing in the state are curved out of these two churches.

### **LITERATURE REVIEW**

There is uncertainty regarding the quality of financial management of churches in Mizoram. However, no formal study has ever been conducted in this field. Part one of this section presents a review of available literature on churches in Mizoram with special reference to the selected two churches. Part two presents review of studies and researches on financial management of churches globally.

Saiaithanga (1969) in his book “Mizo Kohhran Chanchin” elaborate the formation and growth of churches in Mizoram. Chhange (1987) provide some relevant theological issues such as the transformation of the Mizo concept of God, faith and the establishment of the church and its growth and witness from the church growth perspective. Lalthuanliana (2007) provide a comprehensive history the Presbyterian Church of Mizoram in his book “Mizoram Presbyterian Kohhran Chanchin”.

There are number of literature on history of churches in Mizoram. Lloyd (1991) tells the story of the labours of missionaries and their contribution to the growth of church in Mizoram from the earliest period to the time when the foreign missionaries were compelled to leave the country for reason of border security.

The above mentioned literatures are not concerned with financial management of churches in Mizoram, but are relevant to this study as it deals with contextualization.

There have been a number of studies regarding the importance and inadequacy of financial management in non-profit organizations and churches globally.

Schnelder (1989) in his study on financial management in church operations concluded that in order for the financial reports to be valuable, there is a need for experienced and knowledgeable staff with expertise to handle most reporting needs. Laughlin's (1990) case study of the Church of England's accounting system considered the sacred and secular aspects as a problem of accounting in a religious context. He observed that within any religious organization, there was a dividing line between the sacred and profane, and that accounting was therefore merely tolerated.

Booth (1993) who outlined the beginning of framework for research in accounting in churches identified a need for more work in this area and suggested that immediate gains could be obtained from comparative studies.

Walker (2007) studied church accounting & biblical stewardship and observes that in many small churches, volunteers and lay people carry out most of financial reporting work without any real knowledge of accounting systems. They often wonder how much information is enough and which information is important.

### **RESEARCH GAP**

Review and analysis of past studies and researches reveals a kind of gap. No comprehensive study has ever been carried out on the financial management of churches in Mizoram and India. This research work will be an effort to fill this gap and intensely study the financial management of the selected churches with a main emphasis on offering suggestions based on findings for effective financial management of churches in Mizoram.

### **STATEMENT OF THE PROBLEM**

Although good financial management is a key to an organizational stability and that it is relevant to religious organizations as it is to any organization, churches often struggle with incompetent finance managers and unreliable financial policies (Schnelder, 1989). It is generally assumed that churches in Mizoram need a sound financial management practice as there are number of instances where mismanagement of church funds led to splits in churches and create unrest among public. The split of Salvation Army church in 2014 and the infamous mismanagement of Pension and Provident Fund by Mizoram Presbyterian Church in 2009 were some of the incidents which were attributable to this (Press Trust of India, 2014. Zozam Weekly News, 2009, 2011).

The consequence is the churches losing their revered status. Since religion have a deep influence in every spheres of life, the churches losing their credential adversely affect the moral of the people, which in turn affect the state. It is for this reason that this study intends to identify various sources of funding and its utilization, evaluate management skills, financial policy and its execution in the selected churches. It is intended to offer suggestions to churches based on findings of this study.

### **OBJECTIVES OF THE STUDY**

The study has the following objectives:

- (a) To identify the source of funds of the selected churches
- (b) To explore the utilization of funds by the selected churches
- (c) To analyze the financial management practice of the selected churches
- (d) To assess the skills of staffs of selected churches dealing with finance
- (e) To evaluate financial and investment policy of the selected churches

### **RESEARCH QUESTIONS**

The research will try to give answer to the following questions:

- (a) How the selected churches raise their funds?
- (b) How the selected churches utilize their funds?
- (c) Does the financial management practice of the selected churches conform to generally accepted accounting principles?
- (d) Do the staffs dealing with finance in the selected churches have requisite qualification, experience and skills?
- (e) Do the Financial Rules and Investment Policies of the selected churches conform to the existing laws that govern accounting and financial reporting of religious organizations?

### **RESEARCH METHODOLOGY**

#### **(a) Data Collection**

Both quantitative and qualitative data are collected in this study. The necessary data are collected through primary and secondary sources.

- i) Primary data are collected through-
  - Questionnaire Method: Questionnaires were distributed to all the finance committee members of the selected churches and finance



staffs working in the church headquarters to measure their awareness, expertise and exposure to financial management.

- Interview Method: Personal and telephonic interviews were held with Finance Managers and staffs of the selected churches.

ii) Secondary data were collected and analyzed from audit reports of internal auditors and chartered accountants, reports and publications of the selected churches for five years (2013-2018), and other publications and studies concerning the selected churches.

**(b) Sample of the Study**

The two largest churches in Mizoram in terms of member, viz., Baptist Church of Mizoram and Presbyterian Church of Mizoram are considered in this study. Finance Rules and five years financial statements of the two selected churches at the headquarters are evaluated and analyzed. The members of Finance Committee at the church headquarters, Managers, Officers and all the staffs working in the Finance Department at the headquarters of selected churches are also considered for measuring knowledge and expertise in accounting and financial management.

**(c) Analysis of Data**

For analysis and interpretation of data, IBM SPSS Statistics for Windows, Version 22.0 and financial ratios are used for drawing inferences of the study.

**LIMITATIONS OF THE STUDY**

This study has various limitations-

(a) The study intended to cover a period of ten years. However, due to the inability of the churches to provide financial data for that period, the study covers five years from 2013-14 to 2017-18. Certificates given by the selected churches in this regard are placed as Appendix.

(b) The financial statement of Baptist Church of Mizoram is analyzed from the audit reports of chartered accountants whereas financial analysis of Mizoram Presbyterian Church is done from the audit reports of internal auditors. The reason being the Baptist unable to provide audit reports of internal auditors for five consecutive years and the Presbyterian unable to provide audit reports of chartered accountant for five consecutive years.

(c) Financial analysis of BCM in this study is based on financial data in the church headquarters. Institution-wise detailed analysis of financial statements and performance of institutions and establishments under Baptist Church of Mizoram cannot be done due to unavailability of data.

(d) This study analyzed the financial statements of each and every institution and establishment run by Mizoram Presbyterian Church from the headquarters. However, the financial reporting of these institutions has no consistency. Some institutions report their income and expenditure account whereas some other institutions present their receipt and payment account statements. Hence, these account statements are taken as income and expenditure accounts in this study to maintain uniformity.

(e) Since the selected churches are religious organizations that have no significant earned income and that the main sources of income of the churches are from offerings and contributions, relevant financial ratios and tools cannot be utilized for analyzing financial performance of the selected churches.

(f) Lack of literatures and publications on administration and financial management of churches in Mizoram is another limitation. The study had to resort to primary sources and through self involvement in the church activities to find out the actual practice of the churches.

(g) The administration of churches in Mizoram is highly centralized. All the local churches of a particular church are controlled and managed from headquarters of that church. The main sources of income for the selected churches are offerings and contributions from the members which are received by local churches. A portion of these offerings and contributions are kept by the local churches whereas some portions are submitted to the church headquarters. This study considers financial management of the selected churches at the headquarters only.

(h) This study attempts to establish a reliable literature on administration and financial management of churches in Mizoram which can form a base for future studies and researches. This makes conceptualization and contextualization of the study voluminous, which result into the financial analysis part becoming concise and less comprehensive to some extent.

## **CHAPTER 2: BAPTIST CHURCH OF MIZORAM**

The Baptist Church of Mizoram (BCM) was founded by missionaries of Baptist Mission Society (BMS) from London in the early 20<sup>th</sup> century. BCM is the second church to be set up in Mizoram and the second largest church in terms of member at present. The total receipts of the Baptist Church of Mizoram at the headquarters amounts to Rs 55,47,73,952/- in the FY 2017-18 (BCM Finance Report 2017-2018).

The church has fellowships for women, youth, men and children in local churches to include all members in the church activities. These fellowships, local churches, pastorates and presbyteries are run by the church members voluntarily. The church runs a number of institutions, mission fields and establishments within and outside Mizoram. These institutions and mission fields are run by full time paid workers. The local churches, fellowships, institutions, mission fields and establishments are managed from Assembly Meeting of the church through the church headquarters at Serkawn in Lunglei.

There are two systems of administrations in Baptist Church of Mizoram under the Assembly and the same leadership which is termed as church administration and general administration in this study. The church administration represents the administrative structure of the church at various levels- from Local churches to Pastorates, Area Baptist Council and the BCM Assembly. The BCM has 1,73,373 members in 677 local churches grouped into 85 Pastorates in 15 Area Baptist Councils under the Assembly of the Baptist Church of Mizoram (BCM General Secretary Reports, 2018).

The general administration represents the administration of institutions, establishments and mission fields of the church. In short, the church administration is the decision making body and decides the course of action for the church and the general administration implements it. Administrations of the church are taken care of from the BCM Headquarters at Serkawn.

### **Source of Funds**

The Baptist Church of Mizoram is run mainly with offerings, contributions and donations received from its members. Finance Committee of the church headquarters fixed and allocated budget to each pastorate of the church, who in turn

allocated it to local churches under their jurisdiction. That is, every local church is required to submit a fixed amount to the church headquarters through the pastorates which is allocated by Finance Committee at the church headquarters.

The main sources of income for the headquarters of Baptist Church of Mizoram are Buhfaitham, Pathianramzauna, Ramthim, Missionary Support and others. Buhfaitham- handful of rice collection, the responsibilities of which falls to the women's fellowship of the church, is collected and sold every week. The amount collected is submitted by local churches through pastorates to the headquarters. Pathianramzauna, Ramthim and Missionary Support are collected monthly from every family of the church by elders in a tithing envelope. Other sources of income for the church headquarters are departmental receipts of various institutes run by the church, offerings and donations which are meant for specific purposes, and bank interests.

The income analyses of account wise total, average and percentage to the total income of Baptist Church of Mizoram during the period of study (2013-14 to 2017-18) are as tabled in the following:

**Table 2.22: Analysis of Income - Baptist Church of Mizoram**

<b>Accounts</b>	<b>Total</b>	<b>Average</b>	<b>%</b>
Buhfaitham	27,17,13,511	5,43,42,702	13.04
Pathianramzauna	1,20,82,47,187	24,16,49,437	57.98
Ramthim	46,31,51,391	9,26,30,278	22.22
Missionary Support	8,14,46,524	1,62,89,305	03.91
Others	5,94,01,169	1,18,80,234	02.85
<b>Total</b>	<b>2,08,39,59,782</b>	<b>41,67,91,956</b>	<b>100</b>

*Source: Field Study. # Amounts in INR*

The direct contribution by members to the total income of the Baptist Church of Mizoram amounts to 97.15% during the period of study. The share of the account head The income account head Others reached 02.85% of the total income of the church mainly due to the donation of Rs 3,95,50,000/- received for procurement of land in the FY 2017-18. Otherwise, the share of this account head is usually minimal.

### Utilization of Funds

The expenses of Baptist Church of Mizoram at the headquarters are mainly towards administration, maintenance and running charges of institutions and mission fields of the church. In-depth analysis of the expenditures of the church can be done for the FYs 2015-16 to 2017-18 only due to changes in reporting expenditure accounts of the church.

The utilization of funds analyses of account wise total, average and percentage to the total expense of Baptist Church of Mizoram during the period from 2015-16 to 2017-18 are as presented in the following table:

**Table 2.23: Analysis of Expenditure- Baptist Church of Mizoram**

<b>Accounts</b>	<b>Total</b>	<b>Average</b>	<b>%</b>
Salary	59,66,31,313	19,88,77,104	50.12
Grant & Aid	51,16,62,399	17,05,54,133	43
Office Expense	2,61,11,133	87,03,711	02.18
Travel Expense	1,88,32,264	62,77,422	01.58
Maintenance	1,62,76,343	54,25,447	01.37
Others	2,09,02,282	69,67,427	01.75
<b>Total</b>	<b>1,19,04,15,734</b>	<b>39,68,05,244</b>	<b>100</b>

*Source: Field Study. # Amounts in INR*

The main expenditure of Baptist Church of Mizoram is towards salary of contract and permanent employees which accounted for more than half of the total expenditure during the period of study. Grants and grants in aid to institutions and establishments run by the church forms another major expenditure.

Grant & Aid includes grants given by the church headquarters to various institutions of the church including relief and aid given to local churches, institutions and other establishments of the church. The health care scheme, insurance, gratuity, provident fund and pension fund of the church for its employees, reliefs given to the poor, victims of natural calamities, etc. are also included under this account in this study. Grant & Aid accounted for 42.99% which is nearly half of total expenditure of the church. Office expense is towards bills, stationeries, expenditures on meeting and seminar, and other expenses for running the office. Travel expense includes travel

allowances on official tours and posting and transfer claims. Maintenance is for the expense of the church towards repairs and maintenances of all infrastructures of the church including vehicles. The expenditure head Others is for miscellaneous charges such as printing and publications, professional and special services, materials and supplies, machinery and equipment, and interests on loans.

Funds collected and spent for running the local churches are not included in the above financial statements as it is beyond the scope of this study. This study covers only those funds which are submitted to and spent at the church headquarters.

### **Financial Management & Skills**

Baptist Church of Mizoram has Finance Rules & Manuals which detail the financial management to be followed by the church at all levels in both the administrative systems of the church.

Committees of the church and committees of the fellowships at local churches, Pastorate and Area Baptist Council have Treasurer and Assistant Treasurer to look after the church accounts at each of the level. The treasurer of Local Church Committee submits contributions and offerings meant for the church headquarters to the treasurer of Pastorate Executive Committee, who in turn submit to Finance Department at the church headquarters. The role of treasurer at Area Baptist Council level is restricted to maintenance of accounts for Area Baptist Council meetings only.

There are cashier/accountant and officer responsible for finance in each of the institutions and other establishments run by the church. There is a Finance Department at the church headquarters on behalf of the Finance Committee which comes under the Assembly Central Committee of the church. This Finance Department is the custodian of the church main account. All the accounts of the church at the headquarters, mission fields and other institutions and establishments are audited annually by internal auditors appointed by Assembly of the church, and by statutory auditors who are qualified chartered accountants.

The Finance Committee at the church headquarters plans and proposes all expenses and budget and put up their proposal to the church highest authority, the Assembly Meeting. There is an Assembly Executive Committee that decides on important matters in between this Assembly Meetings. The unique feature in financial management of the Baptist Church of Mizoram is that the Finance

Committee at the church headquarters fixed and allocated budget to each pastorate of the church, who in turn allocated it to local churches under their jurisdiction. That is, every local church is required to submit a fixed amount to the church headquarters which is allocated by the Finance Committee.

Accounts statements of BCM are analyzed to study the actual financial management practice of the church. Income and expenditure accounts are compiled from the audit reports of chartered accountants for this purpose. Whereas the BCM Finance Manual provided for sector wise budget heads and that the Assembly Finance Committee recommended the practice of this Sector wise budget heads since FY 2015-16, it is yet to be implemented practically.

A consolidated audit reports of internal auditor for FY 2017-18 is further analyzed and compared with audit reports of chartered accountants for that year. It is found from the analysis of these reports also that the terms of BCM Finance Manual and recommendation of the Finance Committee are not practiced by the church and its institutions. The accounting and reporting are done area wise in these audit reports, and not sector wise as mandated by the finance manual. Further, comparison of audit reports of the chartered accountants and the internal auditors for the FY 2017-18 found that income & expenditure accounts of the church in these two audit reports are not agreeing with each other.

### **Financial Skills**

This study analyzes and evaluates the skill and competency level of members of Assembly Finance Committee and staffs of the Finance Department at the church headquarters. A questionnaire was designed to evaluate the level of education, training imparted, experience, knowledge of financial rules of the church and existing government controls & regulations for religious organizations.

A common questionnaire was distributed to all 28 members of the Assembly Finance Committee of the BCM for 2016-2018 and all 6 staffs working in the Finance Department at the BCM headquarters during this period. Response was received from all staffs of the Finance Department and all members of the Assembly Finance Committee.

The study found that among staffs of Finance Department and members of Assembly Finance Committee, 17.6% are under graduate, 26.5% are graduate and

55.9% are post graduate. 38.2% never receive any training on accounting and financial management, 41.2% learned from their seniors and 20.6% received training from experts. 11.8% of the department staffs and the committee members do not have any experience in accounting and financial management before joining their respective posts, whereas another 88.2% have had experiences. 2.9% of the people responsible for financial management of the BCM do not have any knowledge of financial rules of the church and government regulations for religious organizations. 67.7% have some knowledge of the rules and the regulations and another 29.4% do not have knowledge of government regulations on church finance.

### **Financial & Investment Policies**

Baptist Church of Mizoram is registered under Societies Acts XXI of 1860 and has a well defined constitution. The church also has finance rules and manuals that detailed the accounting process to be followed at each level of the church administration. The BCM Finance Rules published by Publication Board of the church headquarters is revised from time to time; the latest revision of which was done in 2018. The church also framed Finance Manual to supplement this Finance Rules and is in use since 2003, the latest revision of which was done in 2019.

The BCM Finance Rules and Manuals provide a complete guidance on how funds are to be collected, submitted, safe kept and spent at all levels of the church administration. It detailed the power, function, composition and tenure of the Finance Department at the church headquarters and Finance Committees at local churches, Pastorates, Area Baptist Councils, and at the church headquarters. It also provides guidelines on budgeting and auditing. The church is audited annually by internal auditors and chartered accountants and submits its financial returns annually to Income Tax Department.

Finance Rules and Manuals of Baptist Church of Mizoram have provisioned investment policies for its offices, institutions and departments with prior approval of the Finance Committee. However, this provision is not explored by offices and institutions of the church. The church spent 83.82% of its total income on average during the period of study. Out of the 16.18 % excess over expenditures, 15.72% is utilized for capital assets and a mere 0.46% of its average annual income is saved and transferred to capital account.



Since 87.15% of the church income is from direct contributions by the members, the church will suffer a huge set back in case of decline in contributions. BCM won't be able to survive a single year if the contributions by the members stop altogether, as the church does not have investment policy. The surplus or excess of income over expenditure which is transferred to capital account may be said as the only means of investment by the church. The average percentage of this sole investment of the church to the average expenditure of the church during the period of study is 0.55%.

### **CHAPTER 3: MIZORAM PRESBYTERIAN CHURCH**

Mizoram Presbyterian Church (MPC) is the foremost and largest church in Mizoram. The total members of this church constitute more than half of the total population of the state. The church has 6,04,514 members in 1,113 local churches which are grouped into 304 Pastorates in 51 Presbyteries, and runs a number of institutions from the church headquarters named Synod Office located at Mission Veng Aizawl (Synod Secretary Reports, 2018). The total income of the church headquarters in 2017-18 amounts to Rs 2,86,02,83,264/. (Synod Finance Secretary Reports, 2018).

These local churches, pastorates and presbyteries are run by members by offering their service voluntarily. The church also runs mission fields, schools, colleges, hospitals, old aged homes, orphanage and a number of other institutions within and outside the state from the church headquarters. These mission fields and various other institutions are looked after by full time paid workers. The number of paid workers engaged by the church during 2017-18 is 3,278 (Synod Secretary Report, 2018). These local churches, mission fields, institutions and establishments are managed from the church headquarters Synod Office at Mission Veng in Aizawl.

The administration of the church is segregated into two in this study- the one that deals with the functioning of local churches, pastorate and presbyteries, and the other that deals with administration of institutions, mission fields and other establishments. These are termed in this study as church administration and general administration respectively. These two administrations are integrated at the church apex- the Synod Meeting under the headship of a Moderator.

### Source of Funds

Mizoram Presbyterian Church receives funds from offerings and contributions in various forms submitted by local churches to the church headquarters through pastorates. Other sources of income are departmental receipts of institutions and bank interests. The income analyses of account wise total, average and percentage to the total income of the church during the period of study (from 2013-14 to 2017-18) are as follows:

**Table 3.252: Income Analysis- Mizoram Presbyterian Church**

Accounts	Total	Average	%
Pathian Ram	3,66,17,03,160	73,23,40,632	32.08
Ramthar	2,34,07,07,495	46,81,41,499	20.50
Missionary Support	1,23,57,63,882	24,71,52,776	10.83
Buhfaitham	70,26,47,524	14,05,29,505	6.15
Others	3,47,44,64,547	69,48,92,910	30.44
<b>TOTAL</b>	<b>11,41,52,86,608</b>	<b>2,28,30,57,322</b>	<b>100</b>

*Source: Field Study. # Amounts in INR except %*

The main source of income for the church is contribution in the form of tithe, which is collected monthly by elders of the local churches in a tithing envelope from every family of the church within their area. The church expects its members to contribute one tenth of their income to God through this. This tithing envelope is generally given three heads in local Mizo language, namely Pathian Ram, Ramthar and Tualchhung.

Pathian Ram, which can be translated roughly in English as Kingdom of God, is for consolidation of existing churches and its institutions; Ramthar, translated as New Kingdom, is for the church's mission works of spreading the gospel and planting new churches; and Tualchhung, which can be translated as Local, is for utilization by the local church. The first two heads are submitted to the church headquarters through pastorates whereas the third and last is kept by local church for running their respective churches. Missionary Support is a fund collected in another offering envelope which is over and above the tithe. Individuals, fellowships, local churches and pastorates also make significant contributions through this.

Buhfaitham- Handful of Rice collection by the women’s fellowship is another important source of income for the church. Offerings collected in Sunday schools and Holy Communion, Marriage Fees, charity received for hospital, foreign contributions, receipts for endowment fund, bank interests received against deposits of Synod Reserve Fund, Mission Reserve Fund and Synod Endowment Funds, and departmental receipts of institutions forms the income account head ‘Others’.

### Utilization of Funds

The expenditures of Mizoram Presbyterian Church are towards administration, maintenance and running the various institutions and mission fields of the church. These expenditures of the church are grouped under six account heads in this study, viz. Salary & Wages, Travelling Expense, Office Expense, Grant & Aid, Maintenance and Others.

The following is the accounts head wise average and percentage to the total expenditure of the church during the period of study (2013-14 to 2017-18):

**Table 3.253: Expenditure Analysis- Mizoram Presbyterian Church**

Accounts/Period	Total	Average	%
Salary& Wages	5,09,78,70,783	1,01,95,74,157	45.12
Grant & Aid	1,46,99,88,762	29,39,97,752	13.02
Office Expense	21,51,00,486	4,30,20,097	1.90
Travelling Expense	27,52,11,546	5,50,42,309	2.44
Maintenance	1,92,45,23,876	38,49,04,775	17.03
Others	2,31,48,54,711	46,29,70,942	20.49
<b>Total</b>	<b>11,29,75,50,164</b>	<b>2,25,95,10,032</b>	<b>100</b>

*Source: Field Study. # Amounts in INR except %*

Salary & Wages account includes remunerations to all the full time permanent and contractual workers of the church including employers’ contribution to Provident Fund. Travelling Expense account is for expenditures on travel allowances on official tours and meetings including claims for postings and transfers. Office Expense account includes expenses on bills, stationeries, rent, taxes, royalties and all other expenditures incurred for running the offices at the headquarters and various other institutions of the church.

Grant & Aid account include all grants of the church to institutions within and outside the church including scholarships, stipends and other sumptuary allowances. Maintenance is towards expenditures on procurement of machinery, asset, general works and repair & maintenance of properties including building and vehicles. Others include expense on medical, supplies, gratuity and other miscellaneous expenditures.

### **Financial Management & Skills**

The income of Mizoram Presbyterian church is mainly from members' contributions in various forms which are collected by local churches. The local churches retain some portions of these collections while major portions are submitted to the church headquarters through pastorates. The church headquarters utilize these funds for running the mission fields and various institutions.

There are Treasurers and Financial Secretaries in committees of local churches, pastorates and presbyteries to take care of the church finance in each level. Mission Fields and institutions of the church have accountants and officers responsible for finance. Synod Finance Committee is the custodian of finance at the church at the headquarters. This committee comprises of all office bearers of the church at the headquarters, representatives of all the presbyteries and expert members nominated by the Synod Meeting. The Synod Meeting on the recommendation of this committee decides on all matters relating to financial matters.

There is a Finance Department at the church headquarters on behalf of the Finance Committee. The Financial Rules of the church details the duties and responsibilities of every post in this Finance Department. All the accounts of the church headquarters, institutions and departments are audited annually by internal auditors and by statutory auditors who are qualified chartered accountants.

Synod Financial Rules laid down a well defined financial management system for the church. However, these guidelines are not followed practically. Whereas the Financial Rules provisioned seven budget heads, all the incomes and expenditures of the church are accounted for and reported in the two budget heads- Pastoral and Mission only.

Further, there are some cases where accounting practice of the church does not follow even the basic accounting principles. These questioned the expertise level of not only the staffs, but also the auditors who audit the church accounts annually. For instance, whether it is willful or ignorance is unknown, but the accounts of most of the institutions of the church have problems in accounting of closing balance and opening balance. The details are given in the analyses of each institution and are reiterated in the suggestions.

### **Financial Skills**

Financial skills of all personnel dealing with the church finance at the headquarters are assessed to find their competency level to deal with the church finance. A common questionnaire is prepared and distributed to all members of the Synod Finance Committee and all staffs of Finance Department at the church headquarters. All staffs of the Finance Department responded and returned the filled in questionnaire whereas 60 % of the Synod Finance Committee responded to it.

The study found that among staffs of Finance Department and members of Synod Finance Committee, 55.6% are under graduate, 28.9% are graduates and 15.5% are post graduates. 17.8% never receive any training on accounting and financial management, 62.2% learned from their seniors and 20.0% of them received formal training from experts. 35.6% of the department staffs and the committee members do not have any experience in accounting and financial management before joining their respective posts, whereas 64.4% have had experiences.

8.9% of the people responsible for financial management of the MPC do not have any knowledge of financial rules of the church as well as existing government regulations for religious organizations. 37.8% have some knowledge of the rules and the regulations and another 53.3% do not have knowledge of government regulations on church finance.

### **Financial & Investment Policies**

Mizoram Presbyterian Church has been using Synod Financial Rules since 1967 which is revised from time to time. This Financial Rules provide a complete guidance on financial management of the church at all levels. It detailed the power, function and composition of the Finance Department at the church headquarters and Finance Committees at local churches, Pastorates, Presbyteries and at the church

headquarters. Accounting process to be followed by all posts in all levels of the church administrations are also given in details in this Financial Rules. The church is audited annually by internal auditors and chartered accountants and submits its financial returns annually to Income Tax Department.

Synod Financial Rules does not provide instructions and guidelines for investments. However, the church has invested its surplus amount in the form of fix deposit at banks in the name of Synod Reserve Fund, Mission Reserve Fund and Endowment Fund. The interests received from these deposits averaged 2.28% of the total income of the church during the period of study. This is excluding investment of the church through Pension and Provident Fund Board. Amount spent for some institutions and establishments of the church may also be considered as investment, as these institutions are earning income for the church. The total income from bank interests and departmental receipts averages 30.44% of the total income during the period of study.

#### **CHAPTER 4: COMPARISON OF THE SELECTED CHURCHES**

Mizoram Presbyterian Church and Baptist Church of Mizoram are the first and the second church to be set up in Mizoram, and are the largest and the second largest church in the state at present. Since both the churches belonged to protestant sect of Christianity and that their origin can be traced to the same missionaries, the two churches share many things in common in terms of service, administration and other practices.

Comparisons of Baptist Church of Mizoram and Mizoram Presbyterian Church are made based on the following criteria:

- Profile
- Congregations, Conference & Fellowships
- Institutions
- Administration
- Financial Management

#### **Profile**

Comparison of BCM and MPC in terms of number of members, local churches, pastorates, area council/presbyteries and number of full time paid workers employed by the church are as presented in the following table:

**Table 4.1: Comparison- Profile**

SI No	Particulars	BCM	MPC
1	No. of Members	1,73,373	6,04,514
2	No. of Local Church	677	1,113
3	No. of Pastorate	85	304
4	No. of Area Baptist Council/Presbytery	15	51
5	No. of Assembly/Synod	1	1
6	No. of Paid Workers	1,827	3,655

Source: 1) BCM Statistical Handbook 2017-2018. 2) MPC Synod Bu 2018.

### **Congregations, Conferences & Fellowships**

Local churches of Baptist Church of Mizoram and Mizoram Presbyterian Church have worship services and congregations everyday of the week. Both the churches have fellowships for children, youth, women and middle aged man though they differ in names given to these fellowships by the two churches. Both the churches have prayer service every morning, every day of the week. The BCM have a sermon service on Sunday forenoon followed by Sunday school which is vice versa in the MPC. Sunday night is for general worship service.

For the BCM, Monday night is for youth fellowship and women's fellowship that conducts their respective worship service on alternate week. Wednesday night is for general worship service of the church as a whole, Friday night is for men's fellowship and Saturday night is for another general worship service. There is no worship service on Tuesday and Thursday.

For the MPC, Monday night is for youth, Tuesday night for women's fellowship, Wednesday night for general worship service, Thursday night for men's fellowship and Saturday night is for another general worship service. There are four worship services on Sundays- prayer service in the morning, Sunday school in the forenoon, sermon service in the afternoon and another service in the night. There is no worship service on Friday.

Both the churches held annual conference at Pastorate level called Bial Inkhawmpui, Area level meeting called Area Baptist Council Inkhawmpui by Baptist, Presbytery level meeting called Presbytery Inkhawmpui by Presbyterian, the

highest church meeting- the Assembly by Baptist and the Synod by Presbyterian are held every year.

Women’s Fellowship and Youth Fellowship of both the churches also have their conferences and meetings- at a pastorate level every year and at the headquarters level triennially by Baptist, and at a pastorate level every year and at the headquarters level biennially by Presbyterian. The Children’s Fellowship and the Men’s Fellowship of both the churches also have their conference at Pastorate level every year.

### **Institutions**

**Table 4.2: Comparison-Institutions**

<b>SI No</b>	<b>Institutions</b>	<b>Baptist</b>	<b>Presbyterian</b>
1	Religious	3	7
2	Health	6	6
3	Academic	65	197
4	Homes & Centers	3	11
5	Mission Fields	12	18
6	Guest Houses	6	7
7	Journals & Magazines	6	9
8	Others	4	8
<b>TOTAL</b>		<b>105</b>	<b>263</b>

*Source: Field Study.*

### **Administration**

The comparison of these church administrative structures and general administrative structure is presented as follows:

**Table 4.3: Comparison- General Administrations**

<b>SI No</b>	<b>Particulars</b>	<b>Baptist</b>	<b>Presbyterian</b>
1	Head of Administration	President	Moderator
2	Headquarters	BCM HQs Office, Serkawn	Synod Office, Aizawl
3	Apex Committee	Assembly Executive Commt.	Synod Executive Commt.
4	No. of Departments	11	15
5	No. of Institutions	105	263

*Source: Field Study.*



**Table 4.4: Comparison-Church Administrations**

SI No	Particulars	Baptist	Presbyterian
1	Head of Church	President	Moderator
2	Headquarters	BCM HQs Office, Serkawn	Synod Office, Aizawl
3	Apex Church Authority	Assembly	Synod
5	Apex Committee	Assembly Executive Committee	Synod Executive Commt.
6	Group of Pastorates	Area Baptist Council	Presbytery
7	Group of local Churches	Pastorate	Pastorate/District
8	Women's Fellowship	Kohhran Hmeichhe Pawl	Kohhran Hmeichhia
9	Men's Fellowship	Baptist Mipa Pawl	Kohhran Pavalai Pawl
10	Youth Fellowship	Thalai Kristian Pawl	Kristian Thalai Pawl
11	Teen's Fellowship	-	Tleirawl Pawl
12	Children's Fellowship	Kristian Naupang Pawl	Naupang Pawl

Source: Field Study.

#### Sources of Funds

The sources of funds and total income of the selected churches during the period of study (2013-14 to 2017-18) are as follows:

**Table 4.5: Comparison-Sources of Funds**

SI No	Sources of Funds		Income	
	BCM	MPC	BCM	MPC
1	Pathianramzauna	Pathian Ram	27,17,13,511	3,66,17,03,160
2	Ramthim	Ramthar	1,20,82,47,187	2,34,07,07,495
3	Buhfaitham	Buhfaitham	46,31,51,391	1,23,57,63,882
4	MissionarySupport	MissionarySupport	8,14,46,524	70,26,47,524
5	Others	Others	5,94,01,169	3,47,44,64,547
	<b>TOTAL</b>		<b>2,08,39,59,782</b>	<b>11,41,52,86,608</b>

Source: Field Study. # Amounts in INR

The first and second income account heads in the above table are the church headquarters share of the tithe. Buhfaitham is the handful of rice collection of women's fellowship. Missionary Support is another monthly collection meant for supporting missionaries of the church in another offering envelope called as 'Thawhlawm Ip'. The income account head Others includes income of the church

headquarters from departmental receipts of various institutions run by the church, contributions collected for specific purposes, and bank interests. Members of both the churches are expected and encouraged to tithe one tenth of their income to God through this 'Pathian Ram Ip'. However, there are no expected amounts of contribution in Buhfaitham and Missionary Support collections; members contribute as they please. The sources of funds and their share to the total income of the selected churches may also be presented in percentage as follows:

**Table 4.6: Comparison- Sources of Funds**

SI No	Sources of Funds		Income Percentage	
	BCM	MPC	BCM	MPC
1	Pathianramzauna	Pathian Ram	57.98	32.08
2	Ramthim	Ramthar	22.22	20.50
3	Buhfaitham	Buhfaitham	13.04	6.15
4	Missionary Support	Missionary Support	03.91	10.83
5	Others	Others	02.85	30.44
	<b>TOTAL</b>		<b>100</b>	<b>100</b>

*Source: Field Study.*

#### **Utilizations of Funds**

Total expenditures of the selected churches through these account heads during the period of study (2013-14to 2017-18) are as follows:

**Table 4.7: Comparison- Utilizations of Funds**

SI No	Utilizations of Funds		Expenditure	
	Baptist	Presbyterian	Baptist	Presbyterian
1	Salary & Wages	Salary & Wages	59,66,31,313	5,09,78,70,783
2	Grant & Aid	Grant & Aid	51,16,62,399	1,46,99,88,762
3	Office Expense	Office Expense	2,61,11,133	21,51,00,486
4	Travel Expense	Travel Expense	1,88,32,264	27,52,11,546
5	Maintenance	Maintenance	1,62,76,343	1,92,45,23,876
6	Others	Others	2,09,02,282	2,31,48,54,711
	<b>TOTAL</b>		<b>1,19,04,15,734</b>	<b>11,29,75,50,164</b>

*Source: Field Study.*

The expenditure account heads and their share to the total expenditure of the selected churches may also be presented in percentage as follows:

**Table 4.8: Comparison- Utilizations of Funds**

SI No	Utilizations of Funds		Expenditure Percentage	
	Baptist	Presbyterian	Baptist	Presbyterian
1	Salary & Wages	Salary & Wages	50.12	45.12
2	Grant & Aid	Grant & Aid	43	13.02
3	Office Expense	Office Expense	2.18	1.90
4	Travel Expense	Travel Expense	1.58	2.44
5	Maintenance	Maintenance	1.37	17.03
6	Others	Others	1.75	20.49
	<b>TOTAL</b>		<b>100</b>	<b>100</b>

*Source: Field Study.*

### **Financial Management**

Financial management practice of Baptist Church of Mizoram and Mizoram Presbyterian Church are almost the same. In both the churches, local churches are responsible for collection of offerings and contributions which are submitted to the church headquarters through pastorates. Area Baptist Councils and Presbyteries have minimal role- that is compilation of financial reports within their area which are presented in Area Baptist Council Meetings or Presbytery Meetings.

Finance Department at the church headquarters looks after and manages the church finance under the Assembly Finance Committee in Baptist Church of Mizoram. The Finance Department comes under the Synod Finance Committee in Mizoram Presbyterian Church. The main difference in financial management of the selected churches is in collection of funds. Whereas every local church of Baptist Church of Mizoram is required to submit to the church headquarters an amount fixed by the Assembly Finance Committee, which is called as 'Target', there is no such fixed amount to be submitted to the church headquarters by local churches in Mizoram Presbyterian Church.

The analyses of accounts found that both the churches do not follow the provisions of their respective financial rules in practice. The BCM accounts and

reports its finance area wise while the BCM Finance Rules & Manuals mandated it to be accounted and reported sector wise. The MPC accounts and reports all its income and expenditure under two main budget heads while the Synod Financial Rules provisioned seven major budget heads. In depth analysis of accounts statements of the BCM is not possible due to unavailability of detailed data. Analysis of accounts statements of MPC found that even basic accounting principles are not followed by some institutions of the church.

### **Financial Skills**

Baptist Church of Mizoram fared better than Mizoram Presbyterian Church in all the four parameters set for measuring the financial skills of the people responsible for management of the church funds. However, both the churches need to consider qualification, experience and expertise and training received while appointing staffs and members of Finance Department and Finance Committee.

### **Financial & Investment Policies**

Baptist Church of Mizoram has been using Finance Rules since 1970s which is revised from time to time, the latest revision of which was in 2018. The church also has a Finance Manual to supplement the financial rules which is in use since 2003. Mizoram Presbyterian Church also has Synod Financial Rules which has been in use since 1967 and revised from time to time.

Baptist Church of Mizoram is registered as society under the Societies Registration Act 1860. The church is also registered under the FCRA Act of 2010. The church is audited annually by internal auditors and chartered accountants. Financial Returns are submitted annually to the Income Tax Department of Govt. of India as mandated by law.

Mizoram Presbyterian Church is not registered as trust or society, as it is religious institution. However, some of institutions run by the church which are required by law are registered as per the Societies Registration Act of 1860. The church registered itself under the FCRA Act of 2010 and is audited annually by internal auditors and chartered accountants. Mizoram Presbyterian Church also submits financial returns annually to the Income Tax Department.

Finance Rules and Manuals of Baptist Church of Mizoram have provisioned its offices and institutions for investment whereas Financial Rules of Mizoram

Presbyterian Church do not have any provision for investment. However, both the churches have invested their surplus capital in some forms. The average excess over expenditure for the BCM during the period of study is 16.18% which was invested as capital assets and transferred to capital account of the church.

Mizoram Presbyterian Church also has investment in the form of deposits to bank in the name of Synod Reserve Fund, Mission Reserve Fund and Endowment Fund. The amounts invested annually in these accounts are not disclosed by the church in its financial statement. However, the interests received from bank deposits averaged 2.28% of the total income of the church during the period of study.

## **CHAPTER V: FINDINGS, SUGGESTIONS AND CONCLUSIONS**

### **FINDINGS**

The objectives of this research are to identify the source of funds of the selected churches and explore its utilization, to analyze financial management practices and assess skills, to evaluate financial & investment policies and its executions. It is also intended to investigate the conformity of financial policies of the selected churches with the existing laws that governs the accounting and reporting of religious organizations.

#### **Source of Funds- BCM**

Sources of income for Baptist Church of Mizoram at the headquarters are classified in this study as Pathianramzauna, Ramthim, Missionary Support, Buhfaitham and Others.

**(a) Pathianramzauna:** Pathianramzauna and Ramthim are the two heads of a tithing envelope which is a printed envelop called in the native language as 'Pathian Ram Ip'. This tithing envelope is distributed to every family of the church and collected monthly by elders of local churches. Every family of the church is expected to give a 'tithing'- one tenth of family income to God through the church in this tithing envelope.

There are normally three designated heads printed in this tithing envelope- Pathianramzauna, Ramthim and Tualchung. The composition of these contribution heads may differ from church to church. However, the first and second heads- Pathianramzauna and Ramthim, which are meant for submission to the church

headquarters, remains the same. The third head named 'Tualchhung' is for utilization by local churches.

Pathianramzauna is an offering which is meant for utilization in consolidation of existing churches and institutions of the church. The income of the church from Pathianramzauna during the period of study amounts to 57.98% of the church total income.

**(b) Ramthim:** Offerings received by the church under Ramthim is for the church's mission works of spreading the gospel and planting new churches. Ramthim income account head, as explained in the previous paragraph, is also one of the heads in the tithing envelope which is designated for the church headquarters. The income from Ramthim is 22.22% of the total income of the church.

**(c) Missionary Support:** Missionary Support is a contribution for supporting missionaries of the church. This too is collected monthly by elders of local churches from every family in another offering envelope. Besides families, individuals and fellowships of the church at local, pastorate and central levels also contributed significantly to this Missionary Support. The income from Missionary Support contributed to 3.91% of total income of the church.

**(d) Buhfaitham:** Buhfaitham is a handful of rice collection, the collection and sale of which is the responsibility of women's fellowship. Every family of the church kept aside a handful of rice every time they cook meal in a designated container, which is collected and sold by the women's fellowship every week. Amount accumulated from the sale of Buhfaitham is submitted monthly to Treasurer of local church committee who in turn submitted to the church headquarters through the Treasurer of Pastorate Executive Committee. The income from Buhfaitham averaged 13.04% of the total income of Baptist Church of Mizoram.

**(e) Others:** Other sources of income for the church at the headquarters are departmental receipts of mission fields, departments and various institutions run by the church, donations and contributions received and collected for specific purposes including foreign contributions, and bank interests. The income from these sources amounts to 2.85% of the total income of the church during the period of study.

Income of the church from Pathianramzauna, Ramthim, Missionary Support and Buhfaitham are direct contributions of the church members. The share of these

members' contributions is 97.15% of the total income of Baptist Church of Mizoram. The departmental receipts, bank interests and other miscellaneous contributions are grouped under the income account head 'Others', which may be counted as earned income of the church. Receipts from these sources contributed to 2.85% of the church total income during the period of study.

#### **Source of Funds- MPC**

Incomes of Mizoram Presbyterian Church at the headquarters are classified as Pathian Ram, Ramthar, Missionary Support, Buhfaitham and Others. The means and process of collections for these funds are about the same as in Baptist Church of Mizoram, except that there is a slight difference in names given by the churches to some of the account heads. Pathianramzauna and Ramthim in Baptist Church of Mizoram are named Pathian Ram and Ramthar respectively in Mizoram Presbyterian Church.

**(a) Pathian Ram:** Pathian Ram in Mizoram Presbyterian Church is what Pathianramzauna is for Baptist Church of Mizoram. The receipt of the church in this Pathian Ram account head during the period of study is 32.08% of the total income of the church.

**(b) Ramthar:** Offerings received in Ramthar account head are for the church's mission works of propagating the gospel and planting new churches. The income of the church from Ramthar is 20.50% of the total income during the period of study.

**(c) Missionary Support:** Missionary Support is a contribution meant for utilization in supporting missionaries of the church. The process of collection is same as that of Baptist Church of Mizoram. Receipt from this Missionary Support amounts to 10.83% of the total income of the church.

**(d) Buhfaitham:** The concept of Buhfaitham is the same as that of the BCM. 6.15% of total income of the church is from this Buhfaitham.

**(e) Others:** Other sources of income for Mizoram Presbyterian Church at the headquarters are departmental receipts of mission fields, departments and various other institutions run by the church, donations and contributions received and collected for specific purposes, and bank interests. The income from these sources amounts to 30.44% of the total income of the church during the period of study.

Income of the church from Pathian Ram, Ramthar, Missionary Support and Buhfaitham are direct contributions of the church members. The share of these members' contributions to the total income of Mizoram Presbyterian Church is 69.56%. Contributions grouped under Others, which are earned income of the church contributed 30.44% of the church total income during the period of study.

#### **Utilization of Funds- BCM**

Headquarters of Baptist Church of Mizoram spends its funds mainly towards administration, maintenance and running charges of the headquarters as well as various institutions and mission fields of the church. Expenditure accounts of the church are classified in the study as Salary & Wages, Grant & Aid, Office Expense, Travel Expense, Maintenance and Others.

**(a) Salary & Wages:** Salary & Wages are expenditure towards pay and allowances of permanent as well as contract workers of the church, including expenses on hiring casual labours. Expenditure in this account amounts to 50.13% of the total expenditure of Baptist Church of Mizoram.

**(b) Grant & Aid:** This expenditure account includes grants to institutions run by the church and relief and aid given to local churches and institutions. Employer's contributions to health care scheme, gratuity, pension and provident fund, reliefs to the poor and victims of natural calamities, etc are another expense under this account. This study also included scholarships and stipends given by the church under this account. The share of Grant & Aid to the total expenditure of the church is 43%.

**(c) Office Expense:** Office expenses are the expenses towards running offices at the headquarters. This study includes expenses of the church on rents and bills, taxes, committees and seminars in this account. The church spent 2.18% of its total expenditure towards office expenses.

**(d) Travel Expense:** Travel expenses are the expenses on posting and transfer claims, travel allowances on committee meetings and other official tours. The expenditure on travel expenses amounts to 1.58% of the church total expenditure.

**(e) Maintenance:** Maintenance account includes expenditures of the church on procurement, repair and maintenance of infrastructures, machinery and equipment in the church headquarters. 1.37% of the total expenditure of the church is spent on maintenances during the period of study.



**(f) Others:** The expenditure account head 'Others' is towards miscellaneous expenses at the church headquarters. This study included expenses of the church headquarters on printing and publications, professional and special services, materials and supplies, and interests on loans. The church spent 1.75% of its total expenditure on this head during the period of study.

Baptist Church of Mizoram spent its funds mainly towards Salary & Wages and Grant & Aid. The total average of these two expenditure account heads is 93.12% percent of the church average total expenditure during the period of study.

#### **Utilization of Funds- MPC**

Expenditures of Mizoram Presbyterian Church are also classified in this study as Salary & Wages, Grant & Aid, Office Expense, Travel Expense, Maintenance and Others. The following are the details of these expenditure account heads and their percentage to the total expenditure of the church.

**(a) Salary & Wages:** Salary & wages are the expenses of Mizoram Presbyterian Church towards pay and allowances of all the full time permanent and contractual workers of the church including employers' contribution to Provident Fund. Expenses on hiring of casual labours are also included in this account. The church spent 45.12% of its total expenditure on salary & wages.

**(b) Grant & Aid:** Grant & Aid account includes all grants of the church to departments, institutions and various other establishments for running and maintaining these institutions. Grants and aids to institutions outside the church, relief and aid to the poor and victims of natural calamities, scholarships, stipends and other sumptuary allowances are also included in this account. 13.02% of the total expenditure of the church is spent on grant & aid.

**(c) Office Expense:** Office Expense account includes expenses on bills, stationeries, rent, taxes, royalties and all other expenditures incurred for running the offices at the headquarters and various other institutions of the church. The church spent 1.90% of its total expenditure on this.

**(d) Travel Expense:** Travelling Expense is for expenditures on travel allowances on official tours and meetings including claims for postings and transfers. Expenditure on travels amounts to 2.44% of the church total expenditure.

**(e) Maintenance:** Maintenance is towards expenditures on procurement of machinery, asset, general works and repair & maintenance of properties including building and vehicles. 17.03% of the total expenditure of Mizoram Presbyterian Church is spent on maintenances during the period of study.

**(f) Others:** Others include expense on medical reimbursement, materials supplies, gratuity and other miscellaneous expenditures. The church spent 20.49% of its total expenditure on this head during the period of study.

The main expenditure for Mizoram Presbyterian Church is towards Salary & Wages, Grant & Aid, Maintenance and Others. The average of these four expenditure account heads is 95.66% percent of the church average total expenditure while office and travel expense amounts to 4.34%.

### **Financial Management & Skills**

The financial management practice of Baptist Church of Mizoram and Mizoram Presbyterian Church are almost the same. Offerings and contributions collected by local churches and submitted to church headquarters through pastorates are the main source of funds for both the selected churches. Collection of funds and submission to the church headquarters are managed by elders of local churches through committees at various levels of the church administration, offering their voluntary services.

### **Financial Management- BCM**

The unique feature in financial management of BCM is in fund raising. Assembly Finance Committee fixed and allocated budget to each pastorate, who in turn allocated it to local churches. That is, every local church is required to submit a fixed amount to the church headquarters.

The local church committee, Pastorate Executive Committee, and Area Baptist Council Executive Committee decide on functioning of the church in all matters and are the authority in their respective level. Treasurers of these committees are responsible for offerings and contributions which are meant for the church headquarters whereas Assistant Treasurers are responsible to look after funds for utilization in their respective levels. The local churches submit funds to the church headquarters through pastorates. These offerings and contributions submitted by

local churches are the main sources of income for the church at the headquarters. All the service rendered by members and elders in these committees are voluntary.

There is a Finance Department at the church headquarters responsible for the church funds. This department is run by General Secretary of the church through Finance Director, Finance Manager, Accounts Officer, Accountants, Cashiers and Accounts Clerks. Mission fields, institutions and establishments of the church also have accountants and officer responsible for finance. The main expenditures of the church are towards running these offices, mission fields and institutions. All posts of Finance Department at the headquarters and accountants and officers in charge of finance at institutions are full time and paid.

Assembly Finance Committee is the custodian of the church finance. All budget for the institutions of the church and budget to pastorates are proposed and tabled at the Assembly Meetings by the Assembly Finance Committee. This committee comprises of all the office bearers of the Assembly, five expert members nominated by the Assembly and one represent each from the Area Baptist Councils. President of the Assembly is the chairman and General Secretary of the Assembly is the Secretary of this Committee. All the accounts of the church headquarters and its institutions are audited annually by internal auditors and by statutory auditors who are qualified chartered accountants.

Accounts statements of BCM are analyzed to study the actual financial management practice of the church. Whereas the BCM Finance Manual provided for sector wise budget heads and that the Assembly Finance Committee recommended the practice of this sector wise accounting and reporting since FY 2015-16, it is yet to be implemented practically. The finance of the church is accounted and reported area wise in practical whereas the finance manual mandated sector wise budget head and accounting. Further, comparison of audit reports of the chartered accountants and the internal auditors for the FY 2017-18 found that income & expenditure accounts of the church in these two audit reports are not agreeing with each other.

### **Financial Skills- BCM**

This study analyzes and evaluates the skill and competency level of members of Assembly Finance Committee and staffs of the Finance Department at the church headquarters. A questionnaire was designed to evaluate the level of education,

training imparted, experience, knowledge of financial rules of the church and existing government controls & regulations for religious organizations.

The study found that among staffs of Finance Department and members of Assembly Finance Committee, 17.6% are under graduate, 26.5% are graduate and 55.9% are post graduate. 38.2% never receive any training on accounting and financial management, 41.2% learned from their seniors and 20.6% received formal training from experts. 11.8% of the department staffs and the committee members do not have any experience in accounting and financial management before joining their respective posts, whereas another 88.2% have had experiences.

Among the people responsible for financial management of the BCM, 2.9% of them do not have any knowledge of financial rules of the church and government regulations for religious organizations. 67.7% have some knowledge of the rules and the regulations and another 29.4% do not have knowledge of government regulations on church finance.

#### **Financial Management- MPC**

Financial management practice of Mizoram Presbyterian Church is almost the same as that of Baptist Church of Mizoram. The main difference is that whereas every local church of Baptist Church of Mizoram is required to submit to the church headquarters a fixed amount called as 'Target', there is no such fixed amount to be submitted to the church headquarters by local churches in Mizoram Presbyterian Church.

The local church committee, Pastorate Standing Committee, and Presbytery Standing Committee decide on functioning of the church including financial matters and are the authority in their respective level. Treasurers and Financial Secretaries of these committees are responsible for safe keeping and recording of finance and its transactions at their respective levels. Treasurers of local churches submit collections meant for the church headquarters through Treasurers of Pastorate Standing Committees, bypassing the Treasurer at Presbytery Committee.

These offerings and contributions of local churches are the main sources of income for the Mizoram Presbyterian Church. All the service rendered by members and elders in the committees at various levels of the church administrations are part

time and voluntary. The expenditures of the church are towards running the offices, mission fields and institutions.

Constitution of the church has provisioned two Treasurers in each of these committees to deal with offerings and contributions meant for the church headquarters and funds for utilization in various levels of the church administrations separately. The constitution also provisioned for Finance Committee in each level of the church administration. However, most of the local churches, pastorates and presbyteries of Mizoram Presbyterian Church function without this committee.

Synod Finance Committee is the custodian of finance at the church at the headquarters. This committee comprises of all office bearers of the Synod, representatives of all the presbyteries, and expert members nominated by the Synod Meeting. The Synod Meeting on the recommendation of this committee decides all matters relating to financial matters.

Finance Department at the Synod Office, headquarters of Mizoram Presbyterian Church, is responsible for management of the church funds on behalf of the Synod Finance Committee. This department is run by Senior Executive Secretary with Finance Secretaries, Finance Manager, Assistant Finance Manager, Accountant, Head Cashier, Receipt Cashier, Payment Cashier, Bill Assistant i/c Pastoral, Bill Assistant i/c Mission, Receipt Assistant, Pay roll i/c Pastoral, Pay roll i/c Mission, Computer Operator and Office Assistant. Mission fields, institutions and other establishments of the church also have accountants and officer responsible for finance. All posts of Finance Department at the headquarters and accountants and officers in charge of finance at institutions and establishments are full time and paid.

The accounts statements of various offices at the headquarters and other institutions are analyzed to find the actual financial management practice of the church. Synod Financial Rules laid down a well defined financial management system for the church. However, these guidelines are not followed practically. Whereas the Financial Rules provisioned seven budget heads, all the incomes and expenditures of the church are accounted for and reported in the two budget heads- Pastoral and Mission only.

Further, there are some cases where accounting practice of the church does not follow even the basic accounting principles. These questioned the expertise level

of not only the staffs, but also the auditors who audit the church accounts annually. For instance, whether it is willful or ignorance is unknown, but the accounts of most of the institutions of the church have problems in accounting of closing balance and opening balance. The details are given in the analyses of each institution

### **Financial Skills- MPC**

Financial skills of all personnel dealing with the church finance at the headquarters are assessed to find their competency level. The study found that among staffs of Finance Department and members of Synod Finance Committee, 55.6% are under graduate, 28.9% are graduate and 15.5% are post graduate. 17.8% never receive any training on accounting and financial management, 62.2% learned from their seniors and 20.0% of them received formal training from experts. 35.6% do not have any experience in accounting and financial management before joining their respective posts, whereas 64.4% have had experiences.

The study further found that 8.9% of the people responsible for financial management of Mizoram Presbyterian Church do not have any knowledge of financial rules of the church as well as government regulations for religious organizations. 37.8% have some knowledge of the rules and the regulations and another 53.3% do not have knowledge of existing government regulations on church finance.

### **Financial & Investment Policies**

Baptist Church of Mizoram and Mizoram Presbyterian Church have Financial Rules which provide a complete guidance on financial management of the church at all levels of the church hierarchy, departments and institutions.

### **Financial Policies**

Baptist Church of Mizoram has BCM Finance Rules and Manuals that provide a complete guidance on how funds are to be collected, submitted, safe kept and spent at all levels of the church administration. It detailed the power, function and composition of the Finance Department at the church headquarters and Finance Committees at local churches, Pastorates, Area Baptist Councils, and at the church headquarters. It also provides guidelines on budgeting and auditing. The church is audited annually by internal auditors and chartered accountants and submits its financial returns annually to Income Tax Department.

Mizoram Presbyterian has been using Synod Financial Rules since 1967 which is revised from time to time. This Financial Rules provides a complete guidance on financial management of the church at all levels. It detailed the power, function and composition of the Finance Department at the church headquarters and committees dealing with finance at local churches, Pastorates, Presbyteries and at the church headquarters.

Accounting process to be followed by all posts in all levels of the church administrations are also given in details in this Financial Rules. The church is audited annually by internal auditors and chartered accountants and submits its financial returns annually to Income Tax Department.

### **Investment Policies**

Finance Rules and Manuals of Baptist Church of Mizoram have provisioned investment policies for its offices, institutions and departments with prior approval of the Finance Committee. However, this provision is not explored by offices and institutions of the church. The church spent 83.82% of its total income on average during the period of study. Out of the 16.18 % excess over expenditures, 15.72% is utilized for capital assets and a mere 0.46% of its annual income is saved and transferred to capital account on average.

Synod Financial Rules of the Mizoram Presbyterian Church do not provide any instructions and guidelines on investments. However, the church has invested its surplus amount in the form of fix deposit at banks in the name of Synod Reserve Fund, Mission Reserve Fund and Endowment Fund. The interests received from these deposits averaged 2.28% of the total income of the church during the period of study. This is excluding investment of the church through Pension and Provident Fund Board. Amount spent for some institutions and establishments of the church may also be considered as investment, as these institutions are earning income for the church. The total income from bank interests and departmental receipts averaged 30.44% of the total income during the period of study.

## **SUGGESTIONS**

Suggestions based on findings are offered for all departments and institutions and for the two selected churches as well in the preceding paragraphs and chapters which are recapitulated as follows:

### **Suggestions to Baptist Church of Mizoram**

(1) The administrations of the BCM is organized into sectors and departments which are also supplemented by the BCM Finance Manual by giving sector wise budget heads. However, the financial statements of the church are prepared and reported area wise. It is suggested that the BCM Finance Rules & Manual be followed in accounting and reporting of the church finance.

(2) The comparison of audit reports of the chartered accountants and the internal auditors found that income & expenditure accounts of the church in these two audit reports are not agreeing with each other. It is suggested that necessary measures be taken to ensure uniformity in these two audit reports.

(3) Baptist Church of Mizoram has two audits for its accounts- internal auditors and chartered accountants. Chartered accountants' reports are a compiled version of all accounts of the church whereas internal auditors' reports present the financial reports of every office and institution of the church in detail. Audit reports of the chartered accountants are presented to Finance Committees every year during the period of study while audit reports of offices, institutions and other establishments of the churches prepared by the internal auditors are compiled since FY 2107-18 only. It is suggested that the church may continue to compile these audit reports of internal auditors as these reports are more comprehensive and highlight the actual financial performance of offices and institutions of the church.

(4) The BCM Finance Manual has provision for investments by the departments, offices and institutions with the prior permission of Assembly Finance Committee at the church headquarters. However, this provision is not fruitfully explored. The BCM spending 83.82% of its total income on running charges and another 15.72% on capital assets, saving 0.46% only; which is 0.55% of its average annual expenditure is a matter to be considered.

The church headquarters as well as departments and institutions of the church may lay stress on investment so as to prepare the church to meet uncertain future.



(5) This study on analysis of financial skills of the staffs working in Finance Department and the members of Assembly Finance Committee found that 17.6% are under graduate, 79.4% do not have formal training on accounting and financial management, 11.8% do not have any experience in accounting and financial management before joining their posts. Only 67.7% have knowledge of financial rules of the church and government regulations for religious organizations. 2.9% of them are not even aware of the fact that the church has financial rules.

It is suggested that the church may consider qualification, experience and expertise while appointing staffs of Finance Department and members of Assembly Finance Committee and formal training be imparted to them.

### **Suggestions to Mizoram Presbyterian Church**

(1) The church accounts are allotted with seven budget major head in the Synod Financial Rules. However, in practical, all incomes and expenditures are accounted for in two budget heads-Pastoral and Mission. It is suggested that Mizoram Presbyterian Church follow the Synod Financial Rules in practice while accounting and reporting the church finance.

(2) The sources of income for the church can be broadly classified into Pastoral, Mission and Departmental Receipts of institutions. But in practice, all incomes of the church are accounted for in the Synod Office account, which is one of a budget sub head under the budget major head Pastoral. Finance Department, not the Synod Office, may be considered as central accounting unit of the church and that the Synod Office may be made responsible for the affairs of the office only.

(3) Income account of the Synod Mission Board may be reorganized. Whereas there are designated offerings collected in the name of Mission (viz. Ramthar and Missionary Support), these are not accounted for in the income account of Mission Board. These contributions meant for the Mission Board are accounted for in the income account of Synod Office which is under the budget head Pastoral. The Mission Board receives these funds from the Synod Office as Synod Grant.

Offerings for Pastoral are basically for consolidation of existing churches, and offerings for Mission are meant to be utilized for the church's mission works of propagating the gospel and planting new churches. Members of the church channel

their offerings keeping this in mind. Diverting contributions meant for specific purpose to other causes is an injustice to the contributors.

(4) Almost all the offices, institutions and establishments of the church have problems in accounting and deriving closing balance and opening balance, the details of which are given in analyses of accounts of each institution. Closing balance may be derived from the difference between receipt and payment, and the closing balance may be carried over to the next accounting year as opening balance.

(5) The consolidated accounts statement of the church does not give details of departmental receipt and opening balances of all mission fields and institutions under Mission Board. It is suggested that income and expenditure details of mission fields and institutions under Mission Board are also presented in the consolidated accounts statement of the church, as in the budget head Pastoral.

(6) Budgeting needs improvement. There are some institutions where the budgeted expenditure exceeds budgeted income every year during the period of study. A few institutions do not even have an income account. Accounts statement of institutions must have income and expenditure accounts even if they wholly depend on grants from the church headquarters.

(7) The accounts of women's fellowship and youths' fellowship are managed by two parties at the headquarters. While the Finance Department looks after the main account of these fellowships, the office bearers look after subsidiary accounts. These subsidiary accounts are not included in the accounts statement of the fellowships as well as in the consolidated accounts statement of the church. There are also irregularities in the accounting of closing and opening balances of these fellowships.

It is suggested that the accounting of these fellowships are centralized to any one of the parties, the subsidiary accounts be included in the accounts statements, and irregularities in accounting of closing and opening balances be looked into.

(8) The accounting of surplus amount submitted by Transit Accommodations to the church headquarters need deliberation. These amounts are accounted as expenditure by the institutions as well as the church headquarters. Whereas these amounts are expenditure for the transit accommodations, they are income for the church headquarters, and may be treated as such.

(9) The church may consider students teacher ratio, economical viability and reasonability while spending for the theological, academic and other training institutions run by the church. This is applicable to Aizawl Theological College, Presbyterian Bible School, Presbyterian Hindi Bible School, Synod Multipurpose Training Center, Missionary Training College, Mission Development Training Center, College of Nursing at Durtlang Hospital, Synod Higher Secondary School and Presbyterian Girls' School.

(10) Accounting of salary & wages needs to be regulated and synchronized. Whereas wages of contract and temporary workers are accounted for in their respective institutions and departments, the accounting of pay and allowances of permanent staffs does not have consistency. Staffs of some institutions are paid from the account of the Synod Office and Mission Board Office whereas staffs of other institutions are paid from the account of their respective institutions itself.

(11) Accounting of offerings collected in mission fields of the church needs consideration and deliberation. Offerings and contributions in the form of Pathian Ram, Ramthar and Buhfaitham are accounted for under Departmental Receipts by the mission fields which are accounted for by the church headquarters in their respective heads under Pastoral and Mission. This led to double accounting of the same funds and the income account heads not showing the actual value.

(12) The incorrect and unusual financial data in the accounts statements of Salem Boarding School during the FYs 2014-15 and 2015-16 may be looked into.

(13) The following are suggested in the accounting of Presbyterian Communications (PRESCOM) and the three institutions under this department:

(a) Closing balance may be derived by taking the difference between receipt and payment. An institution not having or maintaining a closing balance in the accounts statement is a serious thing to consider.

(b) The surplus/profit amount submitted by Synod Press and Synod Bookroom to the General Administration Department of PRESCOM may be treated as income and not expenditure at the church headquarters.

The consolidated accounts statement of the church considers the total expenditures of GAD, Press and Bookroom as total expenditure of PRESCOM. However, the expenditure accounts of Press and Bookroom

includes the profit submitted to GAD as expenditure. This profit submitted to GAD may be expenditure for the Press and the Bookroom, but they are to be treated as income by the church headquarters as it is income for the church.

(c) The accounts statement of General Administration department is treated as a consolidated accounts statement of the PRESCOM since the FY 2016-17. However, the statement does not include receipt and payment details of the other two establishments.

It is suggested that the accounts statement of General Administration department, if it has to be taken as accounts statements for the PRESCOM, may include and reflect all the receipt and payment details of the three establishments under PRESCOM.

(14) It is suggested that the account of Pension and Provident Fund be included in the consolidated accounts statement of the church as this account belongs to the church. Further, subscription of the PPF/ NPS may be extended to all fulltime paid employees of the church- both permanent and contract, as mandated by EPF & MP Act of 1952, and instructions issued by the Govt. of India from time to time.

(15) The following are suggested for institutions and journals not included in the consolidated accounts statement of the church which are presented in the previous paragraph under the heading 'Others':

(a) Kristian Thalai- a monthly journal may be included in the budget head of Kristian Thalai Pawl- the youth fellowship as this journal is published for and by the youth fellowship.

(b) Agape- a monthly journal may be included in the budget head of Kohhran Hmeichhia- the women's fellowship as this journal is published for and by the women's fellowship.

(c) Ramthar- a monthly journal may be included in the budget head Mission Board since the magazine is published by Ramthar Association of the Synod Mission Board.

(d) Hmeichhe Hostel- a women hostel may be included in the budget head of the women's fellowship as this is women concern.

(e) Account of Women Center may be included in the budget head Kohhran Hmeichhia as this center is run by the women's fellowship.

(16) The analysis of financial skills of people dealing with the church finance in the church headquarters reveals 55.6% are under graduate, 80.0% do not have formal training on accounting and financial management, 35.6% do not have any experience in accounting and financial management before joining their posts. Only 37.8% have knowledge of financial rules of the church and government regulations for religious organizations. 8.9% of them are not even aware of the fact that the church has financial rules.

Analysis of accounts statements of departments and institutions of the church shows that even basic accounting principles are sometimes not followed. This is attributable to ignorance of the persons dealing with the church finance. It is suggested that the church may consider qualification and experience while appointing staffs and members for the Finance Department and the Synod Finance Committee.

(17) Whereas Synod Financial Rules do not mention any investment policy and guidelines, the church invests its surplus funds as Pastoral Reserve Fund, Mission Reserve Fund and Endowment Fund. It is suggested that Mizoram Presbyterian Church chalk out investment policy for the church formally.

### **OPPORTUNITIES FOR FUTURE RESEARCH**

((a) Administrative system is the base for financial management in religious organizations. There is no known research on administration of churches in Mizoram. Future research can focus on administration to bring in more knowledge about churches and its set up.

(b) It is generally assumed that churches in Mizoram influence the social and economic activities and even political affairs of the state, though not proven by any study or research. Future research may stress on the extent of influence of churches to the people of Mizoram.

(c) There are a number of para churches in the state where the followers of Christianity channeled their offerings. It is assumed that this para churches are set up mainly due to the people losing their faith in the church on financial management of their offerings and contributions. The relationship between para churches and churches in Mizoram will make an interesting topic of research.

(d) Churches expect and encourage its member to tithe one tenth of their income to church as offering to God, which is practiced by members religiously. It will be an interesting field of study for future research to concentrate on this and find out the percentage of tithe to the members' income, and the percentage of the members who tithe their income to churches.

(e) This study is a comparative study of two churches of the same root operating in the same region. A comparison between Indian church and church in foreign, or between church and another religion will be certainly beneficial.

(f) Studies on financial management of religious institutions is in its infancy India. Research on financial management of other religions in India, temples, gurudwaras and mosque will definitely add up to knowledge and enlighten the people on how their offerings and contributions to gods through religious institutions are utilized.

## **CONCLUSION**

Researches and studies on religious institutions in India, that too on financial management are very few, as religious affairs are often regarded as sacred. It is interesting and rather unique how the two selected church denominations in the far flung area of north eastern India run a number of churches and institutions mainly of academic, religious and health within and outside the state.

Mizoram Presbyterian Church (MPC) and Baptist Church of Mizoram (BCM) are the first and the second church to be set up, and are the largest and the second largest church in the state respectively. Since both the churches belonged to protestant sect of Christianity and that their origin can be traced to the same missionaries, the two churches share many things in common in terms of service, administration and other practices. The total member of MPC is more than three times that of BCM, the number of local churches of MPC is nearly two times the number of local churches of BCM. The number of institutions run by BCM and the number of full time paid workers employed by BCM is about half that of MPC. The total income of MPC is more than five times the total income of BCM during the period of study.

This research explored various institutions, mission fields and other establishments run by the selected churches, probed administrative set up and

financial management system. Financial management of the selected churches are evaluated by identifying the various sources of funds and its utilizations, analyzing the financial statements, investigating the financial management practice and the skill level of staffs dealing with the church finance, and by studying financial and investment policies of the selected churches and their conformity to existing laws that govern religious organizations.

The main sources of income for the selected churches are offerings and contributions received from members and departmental receipts from departments and institutions of the churches. The income from offerings and contributions amounts to 97.15% of the total income in BCM and 69.56% in MPC. The expenditures of the selected churches are towards running the offices, departments, mission fields and various other institutions. BCM spent on average 83.82% of the total income annually and the average annual expenditure of MPC is 98.97% of the total income during the period of study.

Baptist Church of Mizoram fared better than Mizoram Presbyterian Church in all the four parameters set by this study for measuring financial skills of the people responsible for management of the church funds. Finance Rules and Manuals of BCM have provisioned its offices and institutions for investment whereas Financial Rules of MPC do not have any provision for investment. However, both the churches have invested their surplus capital in some forms.

Financial management practice of BCM and MPC are almost the same. The study finds that the selected churches follow government rules and regulations for religious organizations and have well defined systems of financial management, which are detailed in their Finance Rules and Manuals. However, the provisions in these financial rules are not fully explored in practice by both the selected churches. The study finds that there are rooms for improvement in financial management of the selected churches, suggestions for which are offered in the preceding paragraphs.