

# What does that lil' ECFA symbol mean?



*A higher standard.  
A higher purpose.*

The short of it is we are an accredited member of **the Evangelical Council of Financial Accountability**. This is an organization that exists to insure responsible stewardship of donors funds- please take a look at the 7 standards of responsible stewardship that Shepherds Fold diligently adheres to for over 11 years now.

ECFA's *Seven Standards of Responsible Stewardship*<sup>™</sup>, drawn from Scripture, are fundamental to operating with integrity.

Accountability to God is vital, but people form their impressions of both people and organizations by looking at the outward appearances (1 Samuel 16:7).

The basis for establishing ECFA and developing *Seven Standards of Responsible Stewardship*<sup>™</sup> is stated clearly by the Apostle Paul in 2 Corinthians 8:21 (NIV):

*"For we are taking pains to do what is right, not only in the eyes of the Lord  
but also in the eyes of men."*

Or, as the New American Standard puts it in verses 20 and 21:

*"taking precaution that no one should discredit us in our administration of this generous gift, for we have regard for  
what is honorable, not only in the sight of the Lord, but also in the sight of men."*

The brief statements included in the standards have significant implications for organizations that pledge to follow these standards. They are not standards that allow for grading on the curve. Rather, they are pass-fail standards. ECFA members must comply with all of the standards, all of the time.

## Seven Standards of Responsible Stewardship<sup>™</sup>

### Standard 1 - Doctrinal Issues

**Every organization shall subscribe to a written statement of faith clearly affirming a commitment to the evangelical Christian faith** or shall otherwise demonstrate such commitment, and shall operate in accordance with biblical truths and practices

### Standard 2 - Governance

Every organization shall be governed by a responsible board of not less than five individuals, a majority of whom shall be independent, who shall meet at least semiannually to establish policy and review its accomplishments.

### **Standard 3 - Financial Oversight**

**Every organization shall prepare complete and accurate financial statements.** The board or a committee consisting of a majority of independent members shall approve the engagement of an independent certified public accountant, review the annual financial statements, and maintain appropriate communication with the independent certified public accountant. The board shall be apprised of any material weaknesses in internal control or other significant risks.

### **Standard 4 - Use of Resources and Compliance with Laws**

Every organization shall exercise the appropriate management and controls necessary to provide reasonable assurance that all of the organization's operations are carried out and resources are used in a responsible manner and in conformity with applicable laws and regulations, such conformity taking into account biblical mandates.

### **Standard 5 - Transparency**

Every organization shall provide a copy of its current financial statements upon written request and shall provide other disclosures as the law may require. The financial statements required to comply with Standard 3 must be disclosed under this standard.

**An organization must provide a report, upon written request, including financial information on any specific project for which it has sought or is seeking gifts.**

**Feel free to ask for a copy of our most recent 990 financial report - it is available upon your request.**

### **Standard 6 - Compensation-Setting and Related-Party Transactions**

Every organization shall set compensation of its top leader and address related-party transactions in a manner that demonstrates integrity and propriety in conformity with ECFA's Policy for Excellence in Compensation-Setting and Related-Party Transactions.

### **Standard 7 - Stewardship of Charitable Gifts**

#### **7.1 Truthfulness in Communications**

In securing charitable gifts, **all representations of fact, descriptions of the financial condition of the organization, or narratives about events must be current, complete, and accurate.** References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact, use of misleading photographs, or any other communication which would tend to create a false impression or misunderstanding.

## **7.2 Giver Expectations and Intent**

Statements made about the use of gifts by an organization in its charitable gift appeals must be honored. A giver's intent relates both to what was communicated in the appeal and to any instructions accompanying the gift, if accepted by the organization. Appeals for charitable gifts must not create unrealistic expectations of what a gift will actually accomplish.