# Christian School Management

# The Ox Principle

*“For Jesus; Through Mission; With Students.”*

CSM

partnership · leadership · transformation

## Christian Finances - The Ox Principle

1 Timothy 6:17

"Do not muzzle an ox while it is treading out the grain."

Numbers 18:21 (NIV)

"I give to the Levites all the tithes in Israel as their inheritance in return for the work they do while serving at the tent of meeting."

1 Timothy 6:8

"Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever."

Proverbs 22:7

"The rich rule over the poor, and the borrower is slave to the lender."

Exodus 41:33-36

"And now let Pharaoh look for a discerning and wise man and put him in charge of the land of Egypt. Let Pharaoh appoint commissioners over the land to take a fifth of the harvest of Egypt during the seven years of abundance. They should collect all the food of these good years that are coming and store up the grain under the authority of Pharaoh, to be kept in the cities for food. This food should be held in reserve for the country, to be used during the seven years of famine that will come upon Egypt, so that the country may not be ruined by the famine."

The Christian school thinks about money a lot. It enjoys the thought that God provides richly for His people. It wants to have the best resources it can to serve its children. It is neither embarrassed nor ashamed to talk about God's gift of money. The school has an obligation to:

- provide resources that allow it to deliver the mission with excellence,
- balance its budget,
- compensate its employees honorably and respectfully,
- provide a safe and optimal learning environment,
- minimize / eliminate debt, and
- maintain a reserve.

Let's start with the last item first: maintain a reserve. The Minnesota Council of Non-Profits discovered that "nonprofits with minimal or no reserves were more likely to have cut budgets, eliminated staff positions, reduced wages and benefits. They were also less likely to have been able to increase services to respond to growing demand." That is, if your school has no cash reserves, it is in a constantly unstable situation, whether it needs to deal with economic hard times in a healthy way or to respond to economic good times by being able to take advantage of opportunities.

And there is no justification in the Christian school for taking the attitude that the Lord will provide. Certainly, there are times when the widow's jar of oil stays miraculously full. And we rejoice in the goodness of our God. At the same time, it is clear that trust can often (often!) be a misnomer for poor management, with the result that our schools go out of business because they lacked the cardinal virtue of prudence. Aristotle defined prudence as *recta ratio agibilium*, "right reason applied to practice." And St. Thomas Aquinas considered it the first of the virtues.

When we apply prudence with the guidance of the Holy Spirit, it may well lead us to take steps that may appear foolish from a worldly point of view – but that does not include the lack of foresight. Our God is a God of planning. Jeremiah 29:10 says, "For I know the plans I have for you," declares the Lord, "plans to prosper you and not to harm you, plans to give you hope and a future." Indeed, it is the ungodly who fail to plan: "Let us eat and drink … for tomorrow we die" (Isaiah 22:13).

Interestingly, that planning often meant that the great Christian leaders have often had to operate by faith that the plan would come to pass and not in their own lifetimes. So it is with our schools. Reserves are one of the ways in which the Christian school exercises prudence and foresight in order to ensure that the school will still be here for the next generation. Whether used or not in "my" time of service, they will provide Joseph's sustenance in the time of famine.

With that in mind, we can turn to the issue of the school's budget. Talking about money for the Christian school always begins with the school's mission. Many commentators have said that we should begin with the end in mind, and it is good advice. At Christian School Management (CSM), we would take it one step further and say that the "end" of the Christian school – its mission – is what dictates its budget.

Let there be no error here. Budget for many Christian schools means eking out a painful existence on the backs of poorly paid workers and badly maintained buildings. We don't have to go to the prosperity preachers to know that this is bad economics of body, mind, and spirit. There is no Christian character in being paid below the poverty level or not having the resources to teach with the right materials or passing the buck by deferring the upkeep of buildings and grounds.

The question thus becomes whether we believe in delivering the mission at a level of excellence and what that means. CSM believes that we are called to excellence, and that we witness that to our own people / community as well as to those who are watching us from the outside. "But you are a chosen race, a royal priesthood, a holy nation, a people for his own possession, that you may proclaim the excellencies of him who called you out of darkness into his marvelous light" (1 Peter 2:9). Witnessing to excellence means exemplifying excellence in our own financial practices.

There are then very clear steps to take in thinking about the budget:

1. Understand your own mission statement – what does it mean when we apply the standard of "excellence" to each of its words and think about the investment that is necessary to make that happen? (cf. the CSM Kingdom Principle)
2. Don't assume that the budget you have had for so many years is, de facto, the best budget. In fact, assume that there are deficits that you want to improve over time. As school leaders, be aware that our followers (employees) will want to act sacrificially in order to support the mission of the school and to help as many students as possible. Applaud that and appreciate it. However, don't let it stop the conversation about supporting them appropriately in their mission delivery.
3. Unless the school is new, debt is typically the wrong way to raise money.
   - This includes lines of credit required because there is not enough money to get through the year. Budgets must be balanced, and balanced by ensuring that the families who want this education cover the cost through their tuition.
   - When building improvements and new construction are needed, the money should be raised through fundraising.
   - Debt payments are a tax on tuition and degrade the school's budget.
4. The issue of compensation is important. It is just wrong not to compensate Christian workers professionally. The notion that they should be "underpaid" because it is a ministry fails to honor them. Certainly, it is a ministry. We will not try to define a fair wage. But we do know this: When our workers are paid at a level that does not allow them to raise a family, or that forces them to rely on income from a spouse who works in a "secular" occupation, or that results in them not having benefits or any kind of retirement opportunities, then our budget lacks a moral foundation. We can go further and say that in order to attract and retain the best teachers and staff, we will pay them competitively, recognizing their value and honoring it.

A note about fundraising: CSM believes that the school's operational expenses must be paid for through tuition and fees. Fundraising is the gift of the heart that invests in the future of the school and to the direct benefit of the children. God has made us generous people. It is part of the way in which we are created. The school should joyfully ask its supporters for their gifts, given because of God's generosity to us (cf. the CSM Mary Principle).

We are committed to being great stewards of the riches that God gives to us. We need to think of God as generous and thus that He will meet our needs. We have a responsibility to express those needs in such a way that we exemplify excellence in our mission delivery, professionally pay and provide benefits to our people, maintain prudence in our reserves and debt management, and balance the budget. That is the Ox Principle.

 