



STEWARDSHIP CONNECTIONS

A Newsletter for Financial Connections

Reflections on Reaching Ten Years

10, 32, 7 — that’s the way it all started.

10 years ago, the seed was planted that grew into Anabaptist Financial. Four men met on November 20, 2003 to discuss a vision to renew the connection between faith and finances in conservative Anabaptist communities.

32 Amish and Mennonite businessmen, ministers, and community leaders met in Lancaster on January 2, 2004 to consider the need and discuss the vision. Over the course of a day, these men brainstormed ideas and agreed to form an organization that would be dedicated to helping conservative Anabaptists in financial matters.

7 men were chosen by that group to work as the “Steering Committee for the Foundation Project.” This committee conducted seven months of research, planning, community outreach, and legal work. The groundwork was laid for two sister organizations: Anabaptist Foundation, a charitable public foundation, and Anabaptist Financial, a brotherhood-based investment and loan organization.

The Vision

At that first public meeting ten years ago, three goals or visions were outlined:

- Articulating a compelling vision for using economic prosperity for God’s service
- Helping conservative businessmen maximize their gifts to build the Kingdom
- Providing competent counsel to help families face the challenges of business relationships and family involvement

All three of those visions survived, with refinements. The Anabaptist Financial Mission Statement ended up being two-fold:

1. To assist the brotherhood in channeling material resources within the Kingdom of Christ.
2. To provide stewards with Biblical financial counsel consistent with conservative Anabaptist beliefs and values.

In the end, VISION isn’t worth much if it doesn’t make it down into “shoe leather.” How does the Anabaptist Financial vision and mission come alive in operations?

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Relating to Donors [PART I]

An Article Addressed to Board Members and Staff in Nonprofit Organizations

Thank you for the sacrifices you make of your time and energies. You are engaged in important and good work as you serve the LORD through your labors. Many lives are touched by the Kingdom work you do, often in ways you cannot fully see. Only eternity will reveal the full impact of your service.

Anabaptist Foundation partners in your charitable work by providing donors with a way to give anonymously to charities and churches. Serving as this link often involves more “behind the scenes” work than might be imagined. Our Charitable Gift Fund users tend to be serious donors who want to support charities that share their values. They want to know what their contributions actually accomplish in your organization, but often do not wish to ask you their questions directly to protect their anonymity. At their request, the Foundation often researches charitable organizations and reports back information to help donors make informed giving decisions. While AF serves as a neutral intermediary, it is in a unique position to observe how and why serious donors decide whom to support with charitable dollars. The purpose of this article is to share with nonprofit organizations some of the feedback we hear from donors, so that Kingdom partnership can be enhanced.

The term “serious donor” refers to a donor who is thoughtful and deliberate about his giving decisions. He budgets his contributions and looks for the best return on the funds he has to invest in God’s Kingdom. The term is not limited to mean a person who contributes a very large amount of money to charitable purposes, although many serious donors do fit into that category as well.

Generally the information we learn and report to donors is positive and encouraging, which is a direct reflection of your dedication and labors. From time to time, a donor feels that his concerns or questions are not adequately addressed. Donors generally give an opportunity for change, but often end up tapering down their support over a period of time while they begin to look at other giving opportunities. If a donor’s doubts about an organization’s ability, management, or values remain unresolved, he finally redirects his financial support elsewhere.

Generally, Gift Fund clients do not communicate to the charity their reasons for withdrawing financial support. They are using AF’s Charitable Gift Fund, instead of giving directly to your organization, because they wish to remain

anonymous. Therefore it is unlikely they will to reveal their identity by contacting you with their concerns, especially once they redirect their support. This puts you in a tough position. Unknown to you, your organization unintentionally created an offense, and lost a supporter and dollars needed for its ministry.

This article shares four suggestions for how your nonprofit organization may retain the trust of serious donors and resolve their questions. These suggestions arise from disappointments donors have experienced with conservative Anabaptist organizations. How might each of these benefit your organization?

Do What You Say, or Explain Why You Did Not

When an organization talks up and “markets” a project in its newsletter and public presentations, with touching stories of a need, steps that are being taken, and the number of dollars needed to make it all happen—and supporters respond—there is a legitimate expectation that the need is now being addressed. If, after a while, *everything goes silent*, the touching stories disappear, no results or updates materialize, and no explanations are offered, serious donors develop legitimate concerns about the organization’s discernment and credibility.

Don’t let that happen in your organization. Projects do not always work out as planned, but always clearly communicate. If a project falls short of expectations or fails outright, acknowledge it. Projects change in process and sometimes fail for a variety of reasons. What are “good reasons” for projects to fail? You are visionary people with God-given ambitions to do HARD things for the Kingdom’s sake, or you wouldn’t be serving on the board or working at a charitable organization. Challenges are real, and the devil actively opposes Kingdom work, placing roadblocks and hindering efforts. What are “bad reasons” why projects fail? Our nonprofit organizations are operated by fallible humans, and errors will be made. Organizations sometimes misjudge situations, miscalculate costs, overestimate their abilities, and underestimate difficulties. People in nonprofit organizations can even get lazy and fail to exercise due diligence, not catching problems that should have been foreseen or failing to acknowledge weak links until there are unavoidable and embarrassing consequences.

When something does go wrong and a project falls short or fails, we have a very human tendency to blame it on

something other than our own mistakes (the devil probably gets more credit for “stopping things” than he actually deserves). But whether a project fails for “good” or “bad” reasons, donors heard you say something that did not come to pass, and that matters.

When a project fails, don't cover it with silence.

Determine why it failed and communicate clearly what you have learned. Serious donors respect sincere efforts and are very forgiving of human failures. They understand that unforeseen challenges arise in mission work and support your diligent efforts to overcome them! Many of these donors are businessmen who succeeded in business by learning from their own mistakes and failures.

Be very careful what you say you are going to do. Our people generally take you at your word and expect you to fulfill it, so don't do all of your dreaming in the public eye. Serious donors assume your organization researches opportunities for ministry carefully before plunging in. It is good organizational discipline to develop a written plan in which you consider the experiences of others who have attempted the same types of projects and create a realistic budget. Evaluate your ability to perform—do you have the manpower and skills? Avoid the hasty decisions, poor planning, or weak execution that can undo good intentions.

Our people listen and remember, so be very careful what you print in your newsletter. Choose carefully who speaks in public on your behalf. Not all passionate supporters can effectively communicate your organization's goals to the public. Sometimes, when they run out of things to say, they keep talking and communicate more than you intended. To keep your public message aligned with what your board of directors has approved, prepare “talking points” that outline what your speakers should and should not say in public presentations.

Without dreamers and visionary leaders, your organization stagnates, so value these people. But surround them with practical realists to keep the organization from promising things it will likely under-deliver. Don't carelessly over-promise on a vision. Instead, put vision through a disciplined planning and budgeting process before it is publicly communicated.

Exercise Sound Stewardship in your Spending

Why might serious donors think your organization is exercising poor stewardship?

Sometimes, donors believe your organization spends money too freely. A donor once remarked, “Those men are spenders.” His personal knowledge of the habits of board members colored his opinion of the organization they served. Some organizations have spent themselves into a hole and then solicited the conservative Anabaptist business

community for funds to pay off the resulting debts. This does not go over very well.

Sound stewardship involves learning how to forecast costs, control expenses, and live within a budget. Conservative Anabaptist businessmen have expressed deep frustration with nonprofit organizations which don't seem able to do those three things consistently. Serious donors are generally careful stewards. As a board member or administrator at a nonprofit organization, you must serve as a careful steward of the Kingdom resources committed to your care.

Surprisingly, “spending unwisely” may have a seemingly opposite meaning for some serious donors. Some donors believe that nonprofit organizations fail to spend enough money on certain important things. Again, it is helpful to remember that many serious donors are experienced, successful farmers and businessmen. They understand the long-term paybacks for investments in quality infrastructure, efficient equipment, and good processes. They know the importance of retaining qualified, long-term workers. When a nonprofit organization continually operates on a shoe-string, cuts corners, and suffers frequent turnover of key staff due to inadequate wages, some donors perceive that to be poor stewardship. In the big picture, they view that organization as likely to yield a poor return on their charitable investment and adjust their giving accordingly.

Does your organization pay fair, living wages to the people

When a nonprofit organization continually operates on a shoe-string, cuts corners, and suffers frequent turnover of key staff due to inadequate wages, some donors perceive that to be poor stewardship.

you need to continue effective ministry? Voluntary service is a noble and worthy tradition among our churches, but it is also true that some aspects of ministry are better performed by people with long-term experience, specialized skills, or the capacity to carry very heavy responsibilities. The laborer is worthy of his hire. For example, parochial school boards may express their vision for long term male leadership in the school, but then they fail to pay wages sufficient for a man to raise a family. Serious donors, who know better than to operate their own businesses that way, question whether it is wise to offer substantial support to organizations that habitually under-spend in critical areas.

Look for Part II in the *next issue* of *Stewardship Connections*

The first part of our mission statement calls us *to assist the brotherhood in channeling material resources within the Kingdom*. How does Anabaptist Financial serve the Kingdom of Christ as a channel for resources?

Investment and Loan Program

The investment and loan program at Anabaptist Financial has become a major channel for moving financial resources within conservative Anabaptist church circles. We secured our charitable tax-exemption for Anabaptist Financial on a religious basis, demonstrating that the investment and loan program enhances our religious values of brotherhood accountability and mutual aid, and that it promotes our relationships of brotherly love and Biblical stewardship. The investment and loan program is integral to our identity as conservative Anabaptists, to our understanding of Biblical brotherhood and accountability, and to maintaining our traditional way of life.

Charitable Gift Fund Program

The Charitable Gift Fund (CGF) Program at Anabaptist Foundation provides donors with a confidential and dependable avenue for charitable giving. Donors can support the church work and charities that God lays on their hearts, while preserving Biblically-based anonymity in giving. The funds moving through the Gift Fund Program offer substantial support to a wide variety of churches and charities. As an additional "connection," in 2013 the Foundation was able to offer interest-free loans to three different church alms funds experiencing special needs.

Investment Management Agreement Program

The Investment Management Agreement (IMA) Program at Anabaptist Foundation connects conservative Anabaptist churches and charities in mutually-supporting relationships by providing a secure, faith-based investment option for church and charity funds. The conservative Anabaptist churches and nonprofits that participate in the program generate enhanced revenues for their charitable operations and provide a source for low-interest loans to other churches and nonprofits in their times of need.

The second part of the mission statement is *to provide Biblical financial counsel that is consistent with conservative Anabaptist beliefs and values*. We accomplish this objective through the following programs:

Investment and Loan Program

Financial mentoring occurs daily as our loan officers work with loan applicants. We don't simply process paperwork with the goal of providing loans. Instead, we look at every loan application as a learning and teaching opportunity. We learn from our constituency as we discuss their needs and goals, and we teach as we help people through the loan application process. We teach stewardship and help loan applicants assemble information, probe motivations, and challenge assumptions. Our loan officers invest time to help people whose loan applications will be declined, but who need someone to mentor them financially. Helping people address real financial issues and advising them "not to get a loan" is sometimes part of our work.

We also partner with churches and church trustee committees in situations where close financial accountability is as much of a need as funding. We never seek to replace the local church brotherhood as the primary source of support for needy individuals. We assist deacons in their calling to care for the financial concerns of their flock.

Charitable Gift Fund

We help donors evaluate giving opportunities in order to maximize Kingdom benefit. By building relationships across conservative Anabaptist charity organizations, we can provide donors with impartial evaluations of giving opportunities, and we can act to connect the hearts of donors to charities that share similar visions.

Seminars

The Business Seminars provide tremendous learning and networking opportunities for conservative businessmen. Financial teaching is presented in the context of spiritual principles. Response to the business seminars has been strong and positive. We provide business seminars in eight locations throughout the following states; Pennsylvania, Ohio, Indiana, Illinois, Missouri, and Kansas.

The recent development of the Seminar for Deacons, Financial Advisors, and Trustees meets the need for training in family finance. We plan to repeat this seminar.

Business Advising

AF Business Advising provides personal business consulting services that integrate Kingdom values and spiritual truths with practical business knowledge through the counsel of experienced men from the Anabaptist community. We assist with annual strategic planning and help with business relational issues. We help struggling businesses and facilitate turnaround efforts.

Open Hands

Open Hands connects North American Anabaptists to our Anabaptist brethren in poorer countries. Open Hands incorporates Biblical and financial teaching to promote stewardship and self-sustainability in third-world communities, particularly among Anabaptists. Participants join close-knit savings groups to learn accountability, mutual aid, and business training. Participants are taught to conserve the resources they have locally and to invest those resources within their own communities.

Stewardship Resources

Stewardship Resources is Anabaptist Financial's most recent development. This arm of the organization aims to produce and publish educational materials for the teaching of stewardship, with an emphasis on business resources and family finance materials. Paul A. Miller from Millersburg, OH joined the officer team in October, 2012 and is assigned the title Resource Officer.

Not every initiative succeeds, and experience is a good but hard teacher. We have had the opportunity to learn our limitations. For example, in 2007 we launched a program called *Hardship Helpers* to provide financial assistance to struggling businesses. We were not equipped to meet this challenge, and the program was terminated. We also launched a business periodical called *Business Leader* in 2008. That venture failed to attract a sufficient base of good, conservative Anabaptist writers and adequate subscription interest, so we discontinued the publication.

Defining Who We Serve

We provide faith-based financial services across a wide spectrum of Amish, conservative Mennonite, and conservative Brethren church groups. We believe that brotherhood accountability and mutual aid are foundational to our existence and operations.

Our constituency is defined as churches which support the 1963 Mennonite Confession of Faith or earlier confessions,

Website Launched

Anabaptist Financial is pleased to announce the completion of our re-designed website. The website provides general information about Anabaptist Financial and the services we offer. Website users may request investment agreements, download loan applications, register for seminars, purchase business resources, and locate contact information.

Please visit www.afweb.org to learn more.

such as the Schleithem Confession of 1527 or the Dordrecht Confession of 1632. This definition includes churches ranging from conservative Mennonite to Old Order Amish.

These confessions of faith have some common elements of belief with many Christians around the world; however, they also contain unique, distinctive doctrines which are believed and practiced by only the conservative Anabaptist church groups.

Our tax-exempt status for the investment and loan program was granted on the basis of the unique beliefs and practices of the conservative Anabaptists. Reserving participation to people within these groups is both a legal requirement and important to our sustainability.

Key Elements

Church constituency. Anabaptist Financial's greatest strength lies in its conservative church constituency and the values which they hold. Participation in this network of individuals who share common doctrine and lifestyle holds unique value and keeps financial resources within the Anabaptist community.

Strong leadership and accountability structure. Anabaptist Financial operates under a ten-member independent board of directors that is backed up by a forty-member Advisory Group. These directors and advisors are intentionally drawn from different church groups and diverse occupational backgrounds, with strong ministerial representation. Early in our history, the board decided on separation of the governance work by the board of directors and the administrative work of the officers. No board member may work as an officer or administrator in the organization. No

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Dalton, Ohio
March 25, 2014

Anabaptist Financial

BUSINESS SEMINAR

FROM AN ANABAPTIST PERSPECTIVE

Sessions

- Going Till You're Gone** – *Using your time and resources with a Kingdom-focused vision all the way to the finish line.* ▀ **Gary Miller**
- Important Future Considerations for Mid-Life and Beyond** – *When will distribution and transition of your enterprise and assets begin? Cautions and suggestions.* ▀ **Richard Shank**
- The Kingdom Focused Business** – *Is the overriding vision that drives your business focused on the Kingdom?* ▀ **Gary Miller**
- Marketing Your Products** – *Nothing sells until someone buys. An effective marketing plan does not need to be expensive, but it has to send a clear message to your customers.* ▀ **Atlee Raber**
- New Product Innovation and Development** – *Introducing new products is costly. Consider the complete cycle from market research through product development to market preparation.* ▀ **Leon Wengerd**
- Overview of Family Farm and Business Transition** – *Planning the transition of your farm or business to the next generation must begin long before the actual event. Proper planning starts with gathering the right information, executing essential legal documents, and avoiding common pitfalls.* ▀ **David Sauder**
- Paint with Light** – *Christ is glorified when men live out His commandments in everyday life. Explore four enduring values to paint the canvas of your career in colors that glorify Christ in your work.* ▀ **Marvin Wengerd**
- The Road Less Traveled** – *Elam will share some non-conventional, out of the box thinking and remarkable results he has experienced in his business through innovation in manufacturing, marketing and leadership.* ▀ **Elam Esh**
- Walking the Road Less Traveled** – *A follow-up to Elam's session with time for questions and answers with both Ray and Elam.* ▀ **Ray Randolph**

Speaker Details

Elam Esh *New Providence, PA*
Owner, Country Value
Woodworks, LLC

Gary Miller *Caldwell, ID*
Author, Christian Aid Ministries
S.A.L.T. Program Manager

Atlee Raber *Berlin, OH*
Salesman, Berlin Gardens;
AF Business Advisor

Ray Randolph *New Providence, PA*
Owner, Effective Systems

David Sauder *Mount Joy, PA*
Administrator, Anabaptist
Financial Business Advising

Richard Shank *Hagerstown, MD*
Anabaptist Financial Board of
Directors; AF Business Advisor

Leon Wengerd *Dalton, OH*
Sales Manager, Pioneer Equipment

Marvin Wengerd *Walnut Creek, OH*
Owner, Carlisle Press

Seminar Details

March 25th 2014 | 8:30 AM – 4:30 PM

Buckeye Event Center — Dalton, OH

Seminar Fee: Before March 11, \$89 for the first person. Additional persons \$79, if from the same family or business. After March 11, \$99 for the first person. Additional persons \$89. Lunch is included with the cost. Credit card payments are not accepted.

For a detailed program or to register, please contact Anabaptist
Financial at (800) 653-9817 or by email: seminars@afweb.org.

LEARN ♦ CONNECT ♦ NETWORK

officer or administrator is permitted to serve on the board of directors. The board of directors intentionally meets at times without the officers present to allow for candid discussion about operations. This separation of roles of directors and officers ensures objectivity and prevents any one person from holding disproportionate influence on the organization.

An administrative team of five officers oversee operations. Within each officer's area of responsibility, a second officer acts as his "number two person" to promote accountability and to ensure smoother transitions in times of change. Currently, we have an office staff of four full-time and several part-time employees, carefully chosen for their abilities and commitment to confidentiality, who work under the oversight of an operations officer. A network of professional advisors, including two attorneys and an independent auditor, round out our accountability safeguards.

Conservative financial policy. Anabaptist Financial maintains a conservative financial policy with a reliance on ample loan loss reserves, strong liquid cash reserves, careful documentation, and use of brotherhood accountability in loan evaluations and resolution of issues.

With Gratitude

Today—ten years later—Anabaptist Financial remains a "work in progress." Without a doubt, we have been on a learning path with continuous challenges, changes, and growth. Many people invested significant portions of their time to bring into reality this vision of a conservative Anabaptist financial services organization. We remember with gratitude all who put their "shoulders to the wheel" to develop Anabaptist Financial, but our ultimate appreciation is to the LORD. He supplied providential direction and correction all along the way.

Organizational Milestones

- January 2, 2004** – 1st public meeting at Shady Maple; Steering Committee formed
- July 21, 2004** – Anabaptist Foundation is formed as a non-profit and the Steering Committee transitions to a new Board of Directors
- September 15, 2005** – Anabaptist Financial is formed as a non-profit
- February 7, 2006** – PA Securities Commission approves investment and loan program
- February 18, 2006** – 1st investment accepted at Anabaptist Financial
- March 29, 2006** – 1st loan approved at Anabaptist Financial
- June 30, 2006** – Charitable Gift Fund Program began operating
- June 30, 2006** – Reached \$1 million in investments
- January, 2007** – Launched Business Seminars and Business Advising
- October 25, 2007** – 1st Pennsylvania Business Seminar
- January, 2008** – Launched Open Hands—microfinance assistance in third world countries
- May 13, 2008** – 1st Ohio Business Seminar
- October 13, 2008** – Purchased office facility and moved operations to New Columbia, PA
- November 1, 2010** – Maryland Securities Commission approves investment and loan program
- December, 2011** – Reached \$100 million in investments
- August 5, 2011** – Kansas Securities Commission approves investment and loan program
- January 25, 2012** – Virginia Securities Commission approves investment and loan program
- April, 2012** – Published the first business resources materials
- November 5, 2012** – Ohio Securities Commission approves the investment and loan program
- June, 2013** – 1st Deacons, Financial Advisors, and Trustees Seminar

Seminar for

Deacons, Financial Advisors, and Trustees

Our concept of brotherhood involves helping those with financial struggles. Many in our church circles serve others as private advisors, church-appointed trustees, or as church deacons. Gary Miller (Christian Aid Ministries) and Joel Martin (AF Board Member) will share topics designed to outline Biblical principles and offer practical advice for helping those in financial distress.

**For more information or to be placed on the information list,
please contact the AF office at (800) 653-9817 or by email: info@afweb.org.**

WHEN: May 20, 2014
8:30AM – 5:00PM

WHERE: Holmes County, OH
(location to be determined)

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Editorial Team: Kyle Brubaker (*Design Editor*), Merle Herr, Richie Lauer, Timothy Stoltzfus, Geryll Zehr (*Managing Editor*)
Reviewers: Amos Hurst, Ben Stoltzfus

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US POSTAGE
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SUGARCREEK, OH
44681

* * Address service requested * *

1245 Old Route 15
New Columbia, PA 17856


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