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GETTING RID OF THE CHURCH DEBT



By AUSTIN CROUCH
Superintendent of Church Extension

Department of Church Extension of the
Baptist Home Mission Board
Atlanta, Georgia

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REPAYMENT OF LOANS.

A loan is secured by a church because of need, because of a lack of funds. A loan enables a church to do greater things in a building program than it could do if compelled to pay all cash. It is good judgment to build so as to meet future needs of a growing Sunday School and congregation. It is good business to borrow a part of the money with which to build. Business men do this in their building enterprises. Tens of thousands of homes are built on this plan. It is equally wise to build churches in the same way.

A loan must be paid back. A time is fixed for this payment. Usually it is divided into small annual payments. Mortgages and notes are given assuring the repayment of money borrowed and promising to pay at certain definite times. It is important that these payments, both of interest and principal, be promptly made.

BENEFITS FROM PROMPT PAYMENTS.

Three benefits, at least, will come from the prompt payment of these obligations:

First, the Benefit to the Church.

A church should establish a reputation for promptly paying its debts and for meeting all of its obligations. This is no small matter. It affects a church's usefulness more than many are aware. Some churches have been too careless at this point.

Prompt payment of notes means a large saving of money to the church. Suppose a church has a loan of ten thousand dollars, to be paid in five annual payments, of two thousand dollars each, with interest at six per cent. per annum. If the church goes, say, three years before it begins paying on the principal and then pays a note each year thereafter, it will have to pay just twice as much interest as it would have had to pay by meeting the notes as they came due. If the notes are paid when due, the interest will be eighteen hundred dollars—six hundred the first year, four hundred and eighty the second, three hundred and sixty the third, two hundred and forty

the fourth, and one hundred and twenty the fifth year. But if the church goes three years before paying a note, it will have to pay interest on the whole ten thousand dollars—six hundred dollars a year, or eighteen hundred dollars for the three years. It is thus seen that the church saves eighteen hundred dollars by the prompt payment of notes. It is here assumed that the church pays the interest each year, otherwise the saving will be more than eighteen hundred dollars, for interest must be also paid on past-due interest—thirty-six dollars the first year and seventy-two dollars the second year, or a total of one hundred and thirteen dollars. This makes a grand total of nineteen hundred and thirteen dollars. An amount well worth saving!

Then, too, it is of vital importance that the church get rid of its debt as soon and as easily as possible. It is not a good thing for a debt to hang over a church for an unreasonable length of time. It discourages the members and prevents a forward movement. When members are asked to do something extra, or to increase gifts to Missions, they think and speak about the debt that is past due and refuse to give. It

is true that some may use this only as an excuse to do nothing. But others are truly distressed about the matter. They say: "Before the church undertakes any new work, or increases its offerings, it should pay its past-due obligations." Many a pastor has had his zeal for some program cooled by the question: "How can the church do that when it cannot even pay what it already owes?" Nothing so encourages a congregation as to know that all its obligations are being promptly met. It will then be willing to undertake a larger program. The old saying: "Nothing succeeds like success," is just as true in church finance as anywhere else.

Second, the Benefit to the Home Mission Board.

It is important that all the accounts on the books of the Board be kept in good shape. It is exceedingly bad for accounts to be one, two, three or more years in arrears. It gives anxiety about the collection and necessitates much unnecessary work and expense trying to collect.

Third, the Benefit to Other Churches.

The amount of money in the Church Building Loan Fund is very small,

compared to the calls for help from churches. When interest and principal are promptly paid by churches having loans, it enables the Board to re-loan this amount to other churches. Thus, by prompt payment of loans, the money goes on helping other churches that need it as greatly as the one first having the loan.

METHODS FOR REPAYMENT.

Some definite plan should be made by each church having a loan to repay it. Whatever plan is adopted should be vigorously worked. There are various methods by which the necessary money can be raised.

First, Take subscriptions covering the whole period of the loan. For example, a church has a loan of ten thousand dollars, to be paid in five annual payments of two thousand dollars. In addition, the interest is to be paid twice a year. The church takes pledges running for five years—so much a year for five years. The pledges should total much more than the amount of money actually needed (ten thousand dollars principal, eighteen hundred dollars interest) to make up for losses that are sure to

come either by removal, death, or non-payment.

Second, Provide for the payment of the notes in the annual church budget. Where the amount secured for the budget is fully ample to meet all items included in the budget, this is a most excellent plan. Most churches, however, do not secure enough to cover all items. When this is the case, the money is used for local expenses and there is nothing left with which to make a payment upon the debt. Then the Home Mission Board is asked to grant an extension of time upon the notes. This requires a special action by the Board, and also necessitates getting the personal endorsers of the notes to agree to this extension of time. This often requires much correspondence.

Third, Take free-will offerings at regular intervals. Once a quarter, say, have the members bring their free-will offerings and lay them upon a table. If proper emphasis is placed upon the need, this method can be effectively used for a few times. But there is doubt as to the wisdom of this plan for as long a period as five years.

Fourth, Take a special public collection one or two months before a note

is due. This will give time to make up the full amount needed, if pledges at first are not sufficient. In the hands of one skilled in taking a public collection, this is a very successful way of raising a definite sum. For those who are not specially gifted in this line, some other plan will be better.

Fifth, Take annual pledges for the church debt. This can be done at the time of the annual every-member canvass. Special envelopes, preferably of another color from the regular church envelopes, should be furnished for the payment of these special pledges. This is, perhaps, on the whole, the very best plan.

Some definite plan should certainly be adopted by each church to promptly meet its notes. The pastor and deacons should see that this is done. By a good plan, zealously worked, the church will easily meet its obligations. This will save the church much embarrassment, as well as a considerable amount of money. It will encourage the church to go on from conquest to conquest, from victory to victory. A victorious church both blesses men and brings honor to its Master.