



FIDUCIARY RESPONSIBILITY

TRAINING CHURCH LEADERS

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Welcome, everyone. Thank you for taking the time to invest in your leadership as ruling elders of this congregation. Today we are focusing on one of the most essential—yet often overlooked—responsibilities of the Session: fiduciary responsibility.

In the PC(USA), ruling elders are not simply spiritual leaders—they are also entrusted with the stewardship of the church’s mission, ministries, assets, people, and witness. The Book of Order places these responsibilities directly in the hands of the Session. That means each of you plays a vital role in protecting the church, guiding its resources, and ensuring that everything we do aligns with God’s mission.

Our goal today is not just to understand legal expectations, but to recognize how fiduciary faithfulness is an act of discipleship—an expression of our trust in God and our commitment to the people we serve.

OPENING PRAYER

Let us pray.

Holy and gracious God,
you have called us to serve your church with wisdom, courage, and love.
As we learn together today, open our minds to clarity,
our hearts to compassion,
and our spirits to discernment.
Guide our decisions so that we may be faithful stewards

of the people, the mission, and the resources you have entrusted to us.
Make us worthy of the trust placed in us,
and equip us to lead with integrity and joy.
In Christ's name we pray. Amen.

As we begin, I want you to remember one key idea: fiduciary responsibility means the Session is entrusted with the care, the oversight, and the protection of the church's mission and resources. This training will help us understand what that really means.

What does **FIDUCIARY** mean?

The word "**fiduciary**" comes from the Latin word **fiduciarius**, which means "holding in trust" or "of a trustee." This is derived from the word **fiducia**, which means "trust, reliance, or confidence." **Fiducia** comes from **fiducus**, which means "trusting." And **fiducus** comes from the word **fidere** which means "to trust in" or "have confidence in."

In law, a **fiduciary** is a person or business that has the power and obligation to act for another with total trust, good faith, and honesty.



On this slide, we see the root of the word 'fiduciary.' It comes from Latin—fidere—meaning 'to trust.' A fiduciary is someone who acts on behalf of another, with trust, good faith, and honesty.

In a church setting, this means that Session members have the authority—and the sacred obligation—to make decisions for the congregation with integrity, care, and transparency. The congregation trusts you. More importantly, God entrusts you.

CHURCH TRUSTEES

Book of Order G-3.0201

"The session shall have responsibility for governing the congregation and guiding its witness to the sovereign activity of God in the world, so that the congregation is and becomes a community of faith, hope, love, and witness..."

This responsibility shall include...

- *managing the physical property of the congregation for the furtherance of its mission;*
- *directing the ministry of deacons, trustees, and all organizations of the congregation;*
- *employing the administrative staff of the congregation;*
- *leading the congregation in participating in the mission of the whole church..."*

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This slide shows one of the most important constitutional statements about Session responsibilities. Notice the broad scope:

- governing the congregation,
- guiding its witness,
- managing property,
- directing ministries,
- employing staff, and
- leading the congregation into mission.

This is both spiritual and administrative work. Fiduciary responsibility is not only about finances—it's about stewarding the whole life of the church.

CHURCH TRUSTEES

Book of Order G-4.0101

"Where permitted by civil law, each congregation shall cause a corporation to be formed and maintained. If incorporation is not permitted, individual trustees shall be elected by the congregation... The powers and duties of the trustees shall not infringe upon the powers and duties of the session or the board of deacons."

Book of Order G-4.0102

"The ruling elders on the session of a congregation, who are eligible under the civil law, shall be the trustees of the corporation, unless the corporation shall determine another method for electing its trustees."

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These sections explain how trusteeship works. In most states, ruling elders on Session are automatically the corporate trustees of the church unless the congregation elects trustees separately.

Even when a separate board exists, the Book of Order is clear: trustees cannot override or infringe on the authority of Session.

This means Session members carry BOTH spiritual and legal responsibilities.

FIDUCIARY RESPONSIBILITY



EIGHT PRINCIPLES

The Session is responsible for ensuring the church's assets and resources are managed responsibly and in alignment with its mission. Session should follow the eight principles of fiduciary responsibility:

- **Duty of Care**
- **Duty of Loyalty**
- **Duty of Obedience**
- **Financial Oversight**
- **Asset Management**
- **Risk Management**
- **Transparency & Accountability**
- **Legal Compliance**

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This slide outlines the eight major principles of fiduciary responsibility that guide Session governance:

- Duty of Care
- Duty of Loyalty
- Duty of Obedience
- Financial Oversight
- Asset Management
- Risk Management
- Transparency & Accountability
- Legal Compliance

We will walk through each one so you can clearly understand your responsibilities.

PRINCIPLE #1

DUTY OF CARE

Session members must act with the care that a reasonably prudent person would in similar circumstances. This involves staying informed, reviewing financial reports, attending meetings, asking questions, preparing thoroughly to make decisions, and making thoughtful decisions on behalf of the church. Trustees who do not have time to attend meetings should resign from the board. Trustees are not absolved from the requirements of the duty of care by delegating their responsibility to others.

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The Duty of Care means that Session members must act as a reasonably prudent person would act in similar circumstances.

Practically, that means:

- preparing for meetings,
- reading reports,
- asking questions,
- understanding the budget,
- attending regularly, and
- making thoughtful, informed decisions.

You cannot delegate away this duty. Even if finance committees or staff help, the ultimate responsibility rests with Session.

PRINCIPLE #2

DUTY OF LOYALTY

Session members should prioritize the church's interests above their personal interests. **They must avoid conflicts of interest** and disclose any personal or financial interests that could impact their decisions and abstain from any decisions where they have a conflict of interest. **Decisions should always be made in the best interest of the church, not for personal gain.**

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Duty of Loyalty means the church's interests always come first. Session members must avoid conflicts of interest and disclose them when they arise.

If you stand to benefit personally—financially or otherwise—you must recuse yourself. Decisions must always prioritize the mission and wellbeing of the church

PRINCIPLE #3

DUTY OF OBEDIENCE

The Session must ensure that all decisions and actions align with the church's mission and values and that the church follows its mission, bylaws, policies, and any applicable laws. This includes adhering to religious, legal, and ethical standards, ensuring compliance with tax laws, and maintaining the church's tax-exempt status.

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Duty of Obedience means the Session ensures that the church's actions reflect:

- the mission of the congregation,
- the values of our faith,
- the policies of the church, and
- the laws of the land.

This includes protecting the congregation's tax-exempt status and making sure we follow our constitution.

PRINCIPLE #4

FINANCIAL OVERSIGHT

The Session is responsible for overseeing the church's finances. This includes approving budgets, monitoring expenses, safeguarding assets, ensuring proper accounting practices, and establishing internal controls to protect people and prevent fraud or mismanagement. Regular audits or reviews are necessary to ensure financial integrity.

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Session is ultimately responsible for financial health. That includes:

- approving the budget,
- monitoring income and expenses,
- ensuring internal controls exist,
- safeguarding assets, and
- arranging regular reviews or audits.

Financial oversight protects both the congregation and its leaders.

PRINCIPLE #5

ASSET MANAGEMENT

Church property and other assets must be used for the benefit of the church's mission and in ways that ensure their preservation and proper use. This includes ensuring proper insurance coverage and maintaining facilities responsibly.

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Church property is to be used for mission. Session ensures facilities are cared for, protected, and appropriately insured.

Your responsibility is not to maintain a museum, but to steward the tools needed for Christ's ministry—safely, responsibly, and strategically.

PRINCIPLE #6

RISK MANAGEMENT

Identifying and mitigating risks, such as legal liabilities, financial risks, and operational issues, is key to protecting the church's interests. This includes creating policies for child protection, safety, and financial practices and maintaining proper insurance coverage to protect against liability, including potential lawsuits or accidents on church property.

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Risk management includes protecting the congregation from legal, financial, and physical risks.

This means adopting policies such as:

- child and youth protection,
- safety and emergency procedures,
- financial controls,
- building use policies, and
- liability insurance.

Faithfulness and prudence go hand in hand.

PRINCIPLE #7

TRANSPARENCY & ACCOUNTABILITY



Session members should ensure that decisions, especially financial ones, are transparent to the congregation and that they are held accountable for their actions. It is important to have regular, clear communication with the congregation regarding the Session's decision and the church's financial health.

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Session is accountable both to the congregation and to the larger church.

Transparency builds trust. This includes clear communication about decisions, finances, and major actions.

A healthy Session does not operate in secrecy—its work should be visible and open.

PRINCIPLE #8

LEGAL COMPLIANCE

The Session must stay informed about federal, state, and local regulations affecting nonprofit and religious organizations. This includes employment laws (proper classification of employees and volunteers, and ensuring fair treatment of staff), tax regulations (and how to maintain the church's tax-exempt status), and governance laws.

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Finally, Sessions must understand and comply with all relevant laws affecting churches:

- employment law,
- tax law,
- nonprofit law,
- reporting requirements, and
- governance expectations.

This doesn't mean Session must be made up of lawyers—it means we must ask good questions, seek outside help when needed, and act responsibly.

THANK'S FOR WATCHING

CHURCH OFFICER TRAINING

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This concludes the overview of fiduciary responsibilities. Remember: these principles are not merely legal—they are spiritual. They safeguard the mission of the church and ensure that we are faithful stewards of all God has entrusted to us.”

WRAP-UP SUMMARY

Before we close, let me summarize:

- Fiduciary responsibility is a sacred trust.
- The Session carries both spiritual and legal oversight.
- Each elder has an individual responsibility to act faithfully, wisely, and transparently.
- Stewardship is not just about money—it is about mission, people, integrity, and witness.

Thank you for your leadership. Your faithfulness makes ministry possible.

CLOSING PRAYER

Let us close in prayer.

God of wisdom and grace,
we thank you for calling us to serve your church.
Give us clarity of mind,
steadfastness of purpose,
and compassion in leadership.
Guide our decisions,
shape our hearts,

and help us act always with integrity and love.
May our stewardship honor you
and strengthen the witness of this congregation.
We ask this in Christ's holy name. Amen.”