



## Perceptions of Church Financial Transparency: Ethical-Theological Analysis and Financial Accountability

Rossalina Christanti<sup>1</sup>, Wahyu Satrio Wibowo<sup>2\*</sup>, Yahya Wijaya<sup>3</sup>

<sup>1</sup>Department of Accounting, Faculty of Business, Duta Wacana Christian University, Indonesia

<sup>2</sup>Department of Conflict and Peace Studies, Faculty of Theology, Duta Wacana Christian University, Indonesia

<sup>3</sup>Department of Doctoral Program, Faculty of Theology, Duta Wacana Christian University, Indonesia

Email: [wswibowo@staff.ukdw.ac.id](mailto:wswibowo@staff.ukdw.ac.id)

**ABSTRACT:** This paper examines the perception of transparency among the Church Councils with an ethical-theological analysis and an analysis of financial accountability. The background of the problem is that there are different perceptions among the congregations regarding church financial accountability. These differences reflect differences in theological ethical content. The data collection method used is a mix-method, which uses quantitative tools by distributing questionnaires and in-depth interviews with several church assemblies. The final number of respondents is 167 church assemblies from two church groups, namely the Indonesian Christian Church of the Central Java Regional Synod (Gereja Kristen Indonesia Sinode Wilayah Jateng/GKI SW Jateng) Region of Solo and the Javanese Christian Churches (Gereja-gereja Kristen Jawa/GKJ) Region of North Yogyakarta. The result is a moral obligation is proven to have a significant effect on transparency and intention to disclose financial information to the congregation. This moral obligation to make church finances transparent is based on the church community or congregation members. The ethical drive mainly comes from the community. Theologically, this result on the one hand confirms the existence of the church as a community of faith that drives the formation of values. On the other hand, it presents an opportunity for the church to make a program that formed a personal value of transparency in the Church Council. The research contribution is to the development of the Church Council's guidance on financial accountability and the development of theological ethical values.

Key Words: transparency, church, ethical values, accountability, finance, church council.

### Article History:

Submitted: Oct. 20, 2022

Revised: Dec 28, 2022

Accept: Jan. 02, 2023

Published: Jan 12, 2023

This is an open access article under the CC BY-SA license



## INTRODUCTION

Transparency is one of the principles that has not been widely used as the main value that are internalized and carried out in non-profit organizations. The Church is one of the organizations that belong to non-profit organizations and does not have public accountability like business organizations. The principles of transparency and accountability are often overlooked by church leaders, particularly when it comes to the openness of institutional financial aspects. The resistance to disclosing financial information can be motivated by a variety of reasons such as the understanding of offerings as voluntary and unnecessary to make

public, concerns about reduced income if the congregation learns that the church is "capable" in financial terms, or the absence of good church financial governance.

On the other hand, financial transparency in the congregation has an undeniable ethical aspect. Financial management can be accounted for both systemically and usefully showing good management capabilities. In the New Testament, there is the word *oikonomos* which means the management of the household, and its meaning evolved into the management of the congregation or the arrangement of the congregation. In it, there is the meaning of financial management. The

management and arrangement of God's grace to the entire congregation, even mankind. Its purpose is for the salvation of God's people. There is God's plan in structuring/managing it. This means that the principle of transparency includes not only a structured financial recording system, but also related to openness, trust and usefulness related to safety for all people or communities.

Thus, the church as a non-profit organization must cultivate and maintain its values of integrity by demonstrating accountable practices in various fields, including finance. Congregational assemblies as leaders and financial managers have an important role in shaping the accountability aspect of the organization. With these ethical and integrity considerations, it becomes important to analyze the attitude of the congregational assembly about the transparency of financial information in the church institution, the practical steps that have been taken in the congregation, and the ethical analysis built into it.

The principle of good corporate governance is widely adopted by business organizations as an enabler to increase organizational value. The Organisations for Economic Co-operation and Development (OECD) develops corporate governance principles to build principles of trust, transparency and accountability within the business environment. The goal of corporate governance is to build sustainable business processes, by securing long-term investment, achieving financial stability, and fostering the integrity of business operations. There are several principles developed by the OECD to ensure that stakeholder needs are met, one of which is by providing transparency over the disclosure of financial and non-financial information of companies. However, some adjustment of the principles of corporate governance is needed to the characteristics of the church as a non-profit organization or an entity without public accountability that has a unique funding nature. The role of stakeholders in profit-oriented organizations is based on agency theory, namely the relationship between agents (directors) and principals (shareholders) which is built on the needs of meeting

personal interests (Crawford et al., 2018). This is different from the principle of relationship between non-profit organizations and the stakeholders that surround them. When it comes to meeting stakeholder needs, non-profit organizations do not need to bargain or power competitions that require considerable costs (Speckbacher, 2008). This is a privilege or priviledge that non-profit organizations have, because the relationship between stakeholders and the organization is not solely measured by the amount of monetary flowing in and out of the organization. The preparation of financial statements is also not carried out to improve the company's achievements to satisfy stakeholders, but in the context of aligning the vision and mission of the organization. A more crucial issue related to meeting the needs of non-profit organization stakeholders is the function of supervising and evaluating the implementation of the organization's vision and mission. A non-profit organization that has a comprehensive strategic planning function will be able to improve the organization's ability to process information that can be used as a basis for decision making (Bryan et al., 2020). Decision making in this case is also related to the ability to manage finances carefully and wisely.

The internal control system is a series of processes implemented in an organization to ensure that the principles of control in the company run effectively (Romney & Steinbart, 2018). The principles of control that are generally applied in an organization are: asset security (preventing theft, use or termination of asset benefits that do not go through authorization), providing accurate and reliable information, improving the operational efficiency of the organization, aligning the operational activities of the organization with policies or goals that have been set by the leadership, and complying with legal regulations that apply in the environment organization. Implementing the principles in the context of the church as a non-profit organization can be operated even if there is no careful strategic planning or effective supervisory functions. Nevertheless, if you

look at corruption cases related to religious organizations, objectively it must be recognized that corruption and misuse of assets are very likely to occur within religious corridors. This is due to the weak control system that exists within the scope of church organizations or other religious organizations (London & Richardson, 2020). One of the crucial forms of application of internal control in an organization is the separation of duties, while the church is a small-scale organization and does not allow for much segregation of personnel functions. Thus, the oversight function of church assets becomes suboptimal and opens for the misuse of assets (Speckbacher, 2008).

The absence of specific standards and the absence of oversight from competent authorities are also among the factors that cause the disclosure of financial information by church institutions not to be properly standardized. There is much debate about the urgency of creating a specific conceptual framework that guides the generally and globally acceptable financial reporting standards of non-profit organizations such as IFRS1 (Crawford et al., 2018). Opinions supporting the creation of specific financial reporting standards for non-profit organizations are based on the idea that disclosure of quality financial information will increase the trust of non-profit organizations' funders, donors, and stakeholders (Crawford et al., 2018; Deloitte, 2015). On the other hand, opinions that do not support the creation of this particular standard are based on thoughts regarding the diversity of their respective jurisdictional systems, the operations of non-profit organizations with diverse operating sectors, as well as the characteristics of the non-profit organizations themselves (Myers & Sacks, 2003; Torres & Pina, 2003).

Regardless of the various opinions regarding the presence or absence of standards that specifically govern the format of financial reporting and disclosure of non-financial information related to the performance of non-profit organizations and how strictly internal controls are appropriate to be applied to non-profit organizations – specifically

church institutions – there must be harmonization by each church financial leader or manager. Based on the research of Wibowo and Kristanto (2018), there is no significant difference in perception regarding internal control among pastors, treasurers, and congregations. This means that there is already a good foundation of intention to establish internal control within the scope of church institutions. Thus, church leaders must be wise in identifying the scale of the organization, the quality and quantity of personnel, and the financial capacity of each church so that it can be adjusted to the portion of financial information disclosure and internal control within the church institution.

Transparent and accountable management of church finances, accompanied by verifiable uses, will lead to trust and goodness for the whole congregation even for the community (Welch, 2011). Poor transparency causes churches to hurt people and communities, even damage them. Religious organizations, including churches, often ignore the importance of transparency and accountability in their financial management because of a mistaken view of sacredness. The Church is considered a sacred territory that does not deserve to be treated in secular ways such as being audited and having an accountant. Such a view is inconsistent with the incarnation theology which is the central doctrine of the church. Ecclesiology or theological concepts about the church must be built in line with incarnate theology in which divine sacredness can only be recognized through human weakness and humility. Thus, the view that the church is an untouchable sacred realm of worldly scrutiny and judgment places the church even above God Himself. The humanitarian dimension in incarnate theology obliges the church to be treated as a humane institution prone to weakness and abuse, and therefore always requires a system of examination, supervision, and evaluation.

This study also investigates the empirical influence of factors of moral responsibility of congregational assemblies on the intention of transparency of financial information (Gorsuch &

Ortberg, 1983; Mudrack, 2007). This is also based on the theory of behavioral prediction which explains that the intrinsic motivations arising from each individual have the potential to influence a person's perspective and intention to perform certain actions (Ajzen, 1991b, 2019). Intentions and attitudes related to these values will be manifested in concrete actions. The moral values embraced by everyone are the basic intrinsic motivation and become the social capital of the congregational assemblies in realizing their service attitudes in the church. Furthermore, the moral values espoused by individual congregational assemblies will be reflected when the congregational assembly manages and accounts for the assets of the church. Thus, the first and second hypotheses constructed in this study are:

- H1: Moral responsibility influences the congregational assembly's stance to be pro-transparency.
- H2: A pro-transparency stance influenced the assembly to publicly disclose church financial information.

In addition to moral responsibility, researchers also investigated whether socio-demographic factors such as age, length of service, educational background, and political party regeneration were also significant in determining the transparency of financial information disclosure (Dethier et al., 2021; Kendall & Knapp, 2000; Kumlin, 2006; Torres & Pina, 2003). Age is related to the inner maturity and maturity of a person's mindset. Thus, the author predicts that a person's age will affect the attitudes and concrete actions of managing church finances. The age category that is considered established is predicted to increase the intention of financial transparency within the scope of church organizations. Similarly with long service. The longer the congregational assembly serves, the more entrenched Christian values will become in everyone, so the intention to be transparent will be higher. Concerning educational background, the author is of the view that educational background should not affect the assembly in applying transparently. Openness should not be limited to

one's educational background, because it is a basic attitude that every individual should have. Finally, gender is seen as influencing transparency. A culture of feminism that tends to care more about the interests of the crowd as well as a tendency to masculinity that is more individualistic is predicted to influence individual decisions (Hofstede, 1986). Thus, the constructed hypotheses are as follows:

- H3: Maturity age influences the assembly to publicly disclose church financial information.
- H4: The length of time the assembly served influenced the assembly to intention to disclose the church's financial information publicly.
- H5: Educational background does not influence the assembly to publicly disclose church financial information
- H6: Gender influences the assembly to publicly disclose church financial information.

In addition to sociodemographic factors, the study also investigated the individual financial capability factors of the congregational assembly as well as the overall financial capability of the church. The higher the individual income group of the congregational assembly, the author predicts the smaller the intention to be non-transparent. This is because individuals who manage church finances do not have an insistence on personal economic needs that can potentially be a negative motivation. Regarding the financial capabilities of the church, the authors argue that the financial capabilities of the church should not affect the intention of transparency. Both churches with established financial capabilities and still having to grow must cultivate transparency.

- H7: The individual income of the assembly positively affects the intention of publicly disclosing church financial information.
- H8: Church assets do not affect the intention of publicly disclosing church financial information.

The following is a research framework that includes factors that are predicted to affect the congregational assembly's intention to disclose church financial information publicly.

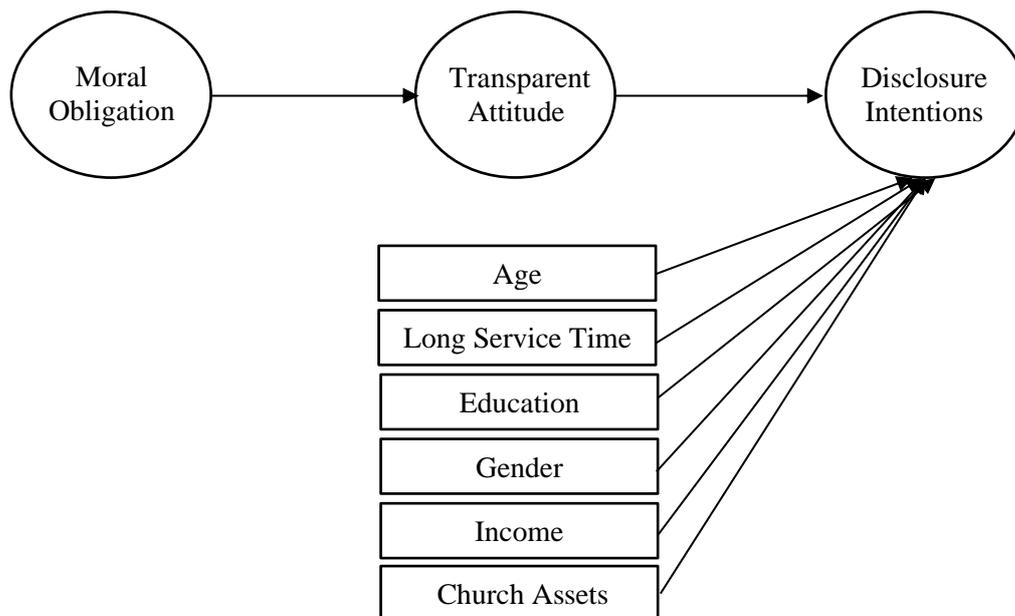


Figure 1. Research Framework

Based on the above background description, the authors constructed the following formulation of the research questions: 1) What is the tendency of church leaders and church financial managers to be open or not open about the financial condition of the church? 2) What are the factors that prompted the congregational assembly to publish the church's financial information to the congregation? 3) Does the congregational assembly have a perception that the church has a moral responsibility to publish its financial information to the congregation? The purpose of this study is to analyze the perceptions shared by members of the congregational assembly related to the transparency of the church in managing finances and analyze the ethical-theological dimensions built in the sphere of plurality related to the growing culture of transparency in the congregation.

## METHOD

This research was carried out a *simple mixed-method* approach between quantitative empirical studies and case studies with a qualitative approach. The empirical studies carried out in this study are preliminary observations or carried out in the context of *testing the water*, trying to capture

factors that are predicted to influence the perception of openness over the disclosure of financial information unearthed from respondents. The results of this empirical study will be drawn more specifically into field observations and *in-depth interviews* of the selected research object, as a confirmation step of empirical research results that tend to be general in nature. Qualitative approach – specific case studies are also aimed at finding out real practices regarding church financial reporting along with the observation of supporting data that can be used as a basis for making recommendations in the form of proposed church financial statement formats that can be re-generalized and widely used by churches in need.

This research was conducted within the scope of GKI and GKJ in Central Java. Empirical data collection will be carried out widely using electronic questionnaires, electronic questionnaires will first be distributed to GKI and GKJ within the scope of the Surakarta and Yogyakarta classics, and do not rule out the possibility of expanding to other denominations. The next data collection is carried out more specifically with field observation methods, document observation, and interviews. The research objects that will be interviewed and

observed directly are several representatives of the GKI and GKJ congregational assemblies which are within the scope of the Surakarta and the Yogyakarta Special Region.

Secondary data collection on the empirical approach is carried out by distributing research questionnaires that will be filled out by congregational assemblies and church employees in charge of finance. The questionnaire will be distributed electronically, so the sampling method of this study is *convenience sampling*, that is, respondents who voluntarily fill out the shared research questionnaire. Primary data collection on the case study approach is carried out by observation and in-depth interviews with relevant assemblies or stakeholders within the church institution, especially those with direct authority in managing church finances. Observations were made on the concrete practice of preparing church financial statements as well as observing supporting documents that were used as the basis for preparing

local church financial statements.

The collected research questionnaires will be processed using the covariance-based structural equation modeling method, to prove the strength of the research model as well as the causal relationship between independent variables and dependent variables designed within the research framework. After obtaining the results of the research quantitatively and qualitatively, the next step is to provide an ethical assessment of these perceptions and an assessment from the point of accountability of financial accounting standards.

## RESULTS

Based on the results of the survey distributed to the congregational assembly, 188 respondents filled out the research questionnaire. A total of 21 people did not fill out the survey completely, resulting in a final sample of 167 respondents. The demographic data of the study respondents are presented in table 1.

Characteristic	Sum	Percentage (%)
<b>Age</b>		
Less than 25 years old	0	-
25 – 34 years old	7	4
35 – 44 years old	25	15
45 – 54 years old	53	32
55 – 64 years old	62	37
65 years old and above	20	12
<b>Educational Background</b>		
Junior/Elementary School	5	3
SMA	37	22
Diploma	20	12
Bachelor	82	49
Postgraduate	23	14
<b>Long Time Serving in The Assembly</b>		
Less than 2 years old	32	19
2 – 5 years	62	37
5 – 10 years	33	20
More than 10 years	40	24
<b>Gender</b>		
Man	104	62
Woman	63	38

Table 1. Demographic Data (Source: Data processed)

Following the predictions and the average age of the congregation appointed to the congregational assembly, 37% of the respondents to this study were

aged 55 – 64 years. The second largest age category is respondents with an age range of 45 – 54 years with a percentage of 32%. These two age ranges are

indeed observed to be quite dominating in the structure of the assembly. Next, 15% of respondents are a panel with an age range of 35 – 44 years. Assemblies over the age of 65 years had a composition of 12% while the young assembly aged 25 – 34 years who were respondents to this study were 4%.

The respondents' last education was identified as follows, 49% of respondents had a Bachelor's last education, 22% of respondents had a recent high school education, 12% of respondents had a Diploma last education, 14% of respondents had a postgraduate last education, and a minority of respondents had a final junior high school education.

Judging from how long respondents have been involved in church congregational ministry, the answers obtained are fairly even. The frequency of old categories serving in the assembly structure that most are respondents who serve between 2 – 5 years, namely as much as 37%, over 10 years as

much as 23%, between 5 to 10 years as much as 20%, and under 2 years as much as 19%.

The majority of the gender of respondents to this study were male assemblies, at 62% and women at 38%. Although the gender gap is not very sharp, women's participation in the assembly can still be increased.

### Descriptive Analysis of Transparency Intentions

In this study, two important dimensions are emphasized as a measure of transparency intentions. The first dimension investigates each respondent's perception of the completeness of the disclosure of financial information that should be conveyed to the congregation. Next, researchers analyzed respondents' perceptions of the idea that churches should be audited by independent professional auditors. A thorough explanation of the indicator items is presented in the following table 2.

Characteristics of Transparency Intentions	Percentage	Source
<b>Disclosure of Financial Information</b>		
1. In my opinion, it would be good if the church published very complete and detailed financial information to the congregation (All details of assets, savings, income, disbursements, and savings balances) along with qualitative information related to the performance of all commissions/posts, pastors/workers, employees, assemblies.	48	
2. In my opinion, it would be good if the church published very complete and detailed financial information to the congregation. (All details of assets, savings, income, disbursements, and savings balances).	35	(Ajzen, 1991a; Bandura, 1977, 1978, 1986; Behn et al., 2010; Bolívar et al., 2013; Cucciniello & Rice, 2014; Kendall & Knapp, 2000; Sanzo-Pérez et al., 2017)
3. In my opinion, the church should only publish some important aspects related to financial information. (e.g., only the number of offerings and commission expenditures & administrative needs of the church)	15	
4. In my opinion, the congregation only needs a general explanation of the financial condition of the church.	1	
5. In my opinion, the congregation does not need to know the financial information of the church.	1	
<b>Does the church need to be professionally audited?</b>		
1. Strongly agree	24	
2. Agree	55	
3. Nervous	10	
4. Disagree	11	
5. Strongly disagree	-	

Table 2. Transparency Intentions (Source: Data processed)

These statements may indicate the extent to which the congregational assembly is willing to be open to the congregation, concerning financial information in the church. 48% of respondents chose statement 1, which means supporting full openness to the congregation, although full openness also does not mean without consequences. Question number 1 implies that the congregational assembly intends to be open, both nominally numerical and information in the form of a narrative that must be expressed. This is adjusted to the principles of preparing financial statements which not only include quantitative information, but also other information that makes up the nominal. Qualitative information also plays an important role as the basis for decision-making, no less important than the calculation of numbers that appear in financial statements.

Qualitative information also reflects good intentions and ethics to communicate important matters that should be disclosed to the general congregation, as stakeholders. Especially in entities without public accountability that tend not to require highly rigid financial reporting, this qualitative information can be a powerful source of decision-making. However, quite a few respondents consider the disclosure of this qualitative information to be less important to disclose. 35% of respondents voted for statement number 2, which means transparency is not full.

As many as 15% of respondents chose statement number 3, which is limited transparency. The congregation only needs to know some important aspects related to church expenses and income (such as the number of offerings and commission expenses/administrative needs of the church). While statements number 4 and 5 were

only chosen by 1 respondent. If you look at it at a glance based on descriptive statistical processing, some respondents already have a fairly good transparency intention.

Furthermore, one of the logical consequences that accompany the intention of transparency is the involvement of independent third parties to audit the church's financial statements. A deeper literature study confirms and justifies these results. However, based on data obtained from respondents, 55% of respondents agreed that the church's financial statements should be audited by a professional institution, while 24% of respondents strongly agreed with the idea of engaging independent auditors in the church. There are still 12% who think they disagree with the role of independent auditors in the church, and another 10% think they are undecided.

The next step is to connect these statements with some predetermined variables. Does the educational background affect the formation of respondents' intention to be transparent? Do political connections affect the formation of respondents' intentions to be transparent? Can the subjective norms that an individual has shaped the intention to behave transparently? Confirmations of these questions will be carried out by first collecting a larger number of respondents, so that the validity and reliability of the data are better to be used as a basis for concluding.

In addition to answering questions related to transparency indicators, research respondents were also asked to fill out *open-ended questions* related to the opinions of each respondent if deviations were found due to non-transparent disclosure of financial information.

not to money for in a manner kinship and reprimanded  
 remind settle special pastoral care

number of mentions  
 fewer ■ ■ ■ ■ ■ ■ ■ ■ more

Figure 2. What If There Is a Fraud in the Church?

Figure 2 is a word cloud or collection of answers to open-ended questions given to respondents. Word cloud images are the words that most often arise from respondents' answers. The researchers asked how the congregational assembly would respond if there were any irregularities in the management of church finances. Some of the majorities of the answers were familial resolution, reminded/reprimanded, and special grazing. This is in line with the results of the interviews conducted, the church prioritizes the church's pastoral approach rather than the law. These answers are more affective responses.

### Research Model Analysis

In measuring the reliability of research instruments and determining the feasibility of research models, each variable studied in this study was measured for validity and reliability (Hair et al., 2018; Sarstedt et al., 2021). Validity testing is measured using Average Variance Extraction (AVE). AVE is a test carried out to test how precisely the construct can reflect each of these indicators. Thus, AVE measurements can measure whether constructs or variables can be reflected with variables with precision. The validity test results can be seen in table 3. Based on the AVE value, all constructs are declared valid because they are above 0.50 (Sarstedt et al., 2021). An AVE value

of more than 0.50 means that each construct can already explain more than 50% of the variance of its indicators.

Furthermore, the internal consistency or reliability of the indicator is tested with the value of factor loading. Instrument reliability testing is carried out to ensure that research indicators can produce the same conclusions even if they are tested in different respondent contexts. The internal consistency criterion is that each indicator has a minimum value of 0.7 to be categorized as high perception and above 0.4 for the moderate perception category (Sarstedt et al., 2021). The results of the factor loading assessment for each indicator are also presented in table 3.

Based on the results of internal consistency, most indicators already have a high assessment, and 2 indicators have a moderate perception of reliability, namely MO1 and Trans3. In addition to internal consistency, the reliability of indicators is also assessed from the results of composite reliability testing. Each construct is considered reliable if it has a composite reliability value of more than 0.7. Composite reliability test results are presented in table 3. Based on CR testing, it can be concluded that all constructs are rated reliable with their respective values above 0.7 (Sarstedt et al., 2021).

Research Indicators	AVE	Factor Loading	Composite Reliability	Source
<b>Financial Information Disclosure Intentions</b>	0,54		0,78	
1. Choose one of the statements that fits your view		0,76		
- In my opinion, it would be good if the church published very complete and detailed financial information to the congregation (All details of assets, savings, income, disbursements, savings balances) along with qualitative information related to the performance of all commissions/posts, pastors/workers, employees, assemblies.				
- In my opinion, it would be good if the church published very complete and detailed financial information to the congregation. (All details of assets, savings, income, disbursements, savings balances).				
- In my opinion, the church should only publish some important aspects related to financial information. (e.g., only the number of offerings and commission expenditures & administrative needs of the church)				
- In my opinion, the congregation only needs a general explanation of the financial condition of the church.				
- In my opinion, the congregation does not need to know the financial information of the church.				(Ajzen, 1991a; Bandura, 1977, 1978, 1986; Behn et al., 2010; Bolívar et al., 2013; Cucciniello & Rice, 2014; Kendall & Knapp, 2000; Sanzo-Pérez et al., 2017)
2. In my opinion, the church should be a very transparent institution in publishing its financial information.		0,69		
3. In my opinion, the church should be professionally audited		0,74		
<b>Attitudes toward transparency</b>	0,69		0,86	
1. I will publish the complete and detailed financial and asset information of the church to the congregation		0,84		
2. I will strive for a transparent culture of financial information within the scope of the assembly/committee in which I serve.		0,90		
3. I would encourage colleagues in one assembly/committee to work on a culture of transparency over the financial information of the church in which we serve.		0,71		
<b>Moral responsibility</b>	0,60		0,82	
1. I have a moral responsibility to inform and publish the church's financial information to the congregation.		0,56		
2. Members of the congregation encouraged me to be transparent about the management of church finances.		0,88		
3. Colleagues in one assembly/committee encouraged me to be transparent about the management of church finances.		0,85		

Table 3. Research Variable Indicators and Test Results (Source: Data processed)

## DISCUSSION

Based on the results of quantitative tests, it can be concluded that the main factor determining the intention of financial transparency in church institutions is the moral responsibility of the congregational assembly. Moral responsibility is reflected in three indicators, moral responsibility arising from oneself, moral responsibility arising from the fellow assembly, as well as moral responsibility arising at the urging of the congregation. The moral responsibility that an individual has will affect the intention to act. This finding is consistent with the theory referred to, that the moral responsibility that arises in "ethical situations" will play a huge role in shaping an individual's intentions and decisions to do or not to do something (Bobek & Hatfield, 2003; Gorsuch & Ortberg, 1983). These results provide another point of view on the factors supporting transparency behavior that are widely tested in nonprofits in general (Harris & Neely, 2021).

The results of this statistical test were confirmed by the results of an in-depth interview, that as the congregation's money manager, the assembly felt it had a moral responsibility to manage the church's finances well. This moral responsibility is also realized by a strong intention to report financial information to the congregation. If explored further, the most powerful element of moral responsibility is the encouragement of the congregation – which encourages financial managers to pursue a culture of transparency within the church. These results confirm previous research that a culture of transparency is a form of accountability for the managers of non-profit organizations, and the church is no exception (Ortega-Rodríguez et al., 2020; Roslan et al., 2017).

Traditionally, Calvinist churches relied on outside individual encouragement, such as community, law, or rule, to enforce ethical actions. Stephen Count Bethlen's analysis shows that Calvin strongly highlighted the role of the community to enforce ethical actions, including financial affairs in Geneva, one of which was banking issues.

Compliance with banking rules is achieved through community encouragement, rules and ethical foundations that Calvin provided (Bethlen, 2018). The moral actions of individuals are within the power of community influence. This is in line with previous research that found that transparency attitudes are dominated by a sense of 'sungkan' towards the community (Kristanto and Wibowo 2018). Thus, the community plays a very important role in directing individuals, especially activists or Church Assemblies who manage finances. This invites the church to think about financial theology on a community basis and at the same time the coaching of church citizens to support each other on church accountability, and if expanded financial accountability in the work of public congregational citizens.

The intention to do something (attitude towards behavior) will have a significant effect on the formation of the intention to carry out the behavior in question (behavioral intention). The intention to manage church finances well will result in behaviors that lead to transparency targets. Intentions These findings are consistent with behavioral prediction theory (Ajzen, 1991a; Fishbein & Ajzen, 1975). Attitudes toward behavior in this study are reflected in the efforts of respondents to strive for a transparent climate and culture in the church environment. The intention to behave transparently is reflected in respondents' statements about ideal transparent situations that should exist in the congregation, and a willingness to be reviewed by independent parties. Ethically willingness to be reviewed by independent parties is a form of accountability. This is also reinforced by previous research that an organization's willingness to cooperate with professionals or utilize professional services is an indicator of accountability (Sanzo-Pérez et al., 2017).

These results were confirmed by the results of in-depth interviews conducted with several randomly determined respondents. All respondents already have the intention to be transparent about the financial management process in church

institutions. This confirms the statistically valuable findings on the construct of transparency intentions. Nevertheless, there is a complexity to actually transforming transparency intentions into actual transparency behaviors in church institutions. One is the ethical-theological dimension that is firmly embedded in church institutions. The acts of Ananias and Sapphira in Acts 5:1-11 demonstrate the importance of openness and transparency. Although the property is privately owned, when it is in a community agreement, its ethical value lies in the promise and openness of an agreement as well as a commitment to common faith (Harrill, 2011). So, its ethical value lies in the promises spoken before the community, by which the power of the Holy Spirit works.

Meanwhile, previous research has shown that church leaders (women) have succeeded in developing the economy and financial management of congregation members (Santosa et al., 2022). Economic development and good financial management of congregational members are expected to increase church income. The increase in church income is certainly accompanied by an increase in the transparency of the church's finances. The role of church leaders in enforcing moral obligations. Thus, the role of the community as a proponent of moral values is very important, and church leaders consistently put that forward. Nevertheless, it is necessary to conduct further research on the influence of leaders and communities (church fellowships) in shaping moral consciousness or personal conscience and spirituality. This is important so that the issue of transparency has a strong foundation in the spirituality and morality of the individual.

## CONCLUSION

This research proves empirically that several factors significantly affect the intention of transparency of financial information. Moral responsibility is one of the constructs that is raised and is seen as internal values that are cultivated in the individual. Each individual has an internal value

capital that will form an attitude toward behavior. Attitudes are also seen as principles that are firmly held by each individual and become the basis for acting. The justification of this flow of relationships is based on the theory of planned behavior echoed by Ajzen and Fishbein. In this study, it is proven that this theory can also be applied to the context of church institutions. Based on these findings, it can be concluded that it is important to build a positive value system for each individual. Having a value system of integrity and objectiveness can be the capital to build a transparent culture in the church. Thus, the Community of the Body of Christ plays an important role in enforcing the church's financial transparency obligations as part of a faith-based moral commitment. This can have practical implications for the direction of preaching and fostering church faith, which can emphasize the importance of building the moral commitment of the congregation and creating a culture and environment that allows each assembly to behave transparently.

Furthermore, this research makes theoretical contributions and provides novelty across the fields of accounting and theology. This research provides another point of view from the framework of behavioral theory that factors or dimensions related to sociodemographic such as length of service, gender, and personal income do not significantly affect the intention of transparency. Furthermore, the educational background as well as the financial capabilities of the church do not affect the intention of transparency, confirming the hypothesis built into this study. Thus, in general, the intention of transparency is inferred to be more influenced by the intrinsic motivations of the individual. Nevertheless, age group factors have been shown to influence transparency intentions. It can be related to emotional maturity when an individual decides. However, efforts to increase the intention of transparency must be further enhanced in the church environment regardless of sociodemographic factors.

Finally, this study was limited to respondents in the Central Java and DIY regions,

especially GKI and GKJ. Subsequent research can expand the reach of respondents and include cultural factors that may influence the panel's decisions in disclosing financial information to the congregation. In addition, the expansion of the range of denominations can also be researched to improve the generalization of research results. A deeper analysis with a qualitative approach is also suggested in future studies.

## REFERENCES

- Ajzen, I. (1991a). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50, 179–211. <https://doi.org/10.1080/10410236.2018.1493416>
- Ajzen, I. (1991b). The Theory of Planned Behavior Organizational Behavior and Human Decision Processes. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.
- Ajzen, I. (2019). *TPB Questionnaire Construction Constructing a Theory of Planned Behaviour Questionnaire*. 1–7.
- Bandura, A. (1977). *Social Learning Theory*. Prentice Hall.
- Bandura, A. (1978). Self-efficacy: Toward a unifying theory of behavioral change. *Advances in Behaviour Research and Therapy*, 1(4), 139–161. [https://doi.org/10.1016/0146-6402\(78\)90002-4](https://doi.org/10.1016/0146-6402(78)90002-4)
- Bandura, A. (1986). *Social Foundation of Thought and Action: A Social Cognitive Theory* (1st ed.). Prentice Hall.
- Behn, B. K., DeVries, D. D., & Lin, J. (2010). The determinants of transparency in nonprofit organizations: An exploratory study. *Advances in Accounting*, 26(1), 6–12. <https://doi.org/10.1016/j.adiac.2009.12.001>
- Bethlen, S. (2018). The Role of Calvinism in the Development of Modern Economy. *Polgári Szemle*, 14, 352–366. <https://doi.org/10.24307/psz.2018.0423>
- Bobek, D. D., & Hatfield, R. C. (2003). An Investigation of the Theory of Planned Behavior and the Role of Moral Obligation in Tax Compliance. *Behavioral Research in Accounting*, 15(1), 13–38. <https://doi.org/10.2308/bria.2003.15.1.13>
- Bolívar, M. P. R., Muñoz, L. A., & Hernández, A. M. L. (2013). Determinants of Financial Transparency in Government. *International Public Management Journal*, 16(4), 557–602. <https://doi.org/10.1080/10967494.2013.849169>
- Bryan, T. K., Robichau, R. W., & L'Esperance, G. E. (2020). Conducting and utilizing evaluation for multiple accountabilities: A study of nonprofit evaluation capacities. *Nonprofit Management and Leadership*, September 2019, 1–23. <https://doi.org/10.1002/nml.21437>
- Crawford, L., Morgan, G. G., & Cordery, C. J. (2018). Accountability and not-for-profit organisations: Implications for developing international financial reporting standards. *Financial Accountability and Management*, 34(2), 181–205. <https://doi.org/10.1111/faam.12146>
- Cucciniello, M., & Rice, G. (2014). Transparency for Trust in Government: How Effective is Formal Transparency? *International Journal of Public Administration*, 37(13), 911–921. <https://doi.org/10.1080/01900692.2014.949754>
- Deloitte. (2015). *Financial reporting by not-for-profit entities in New Zealand: Your questions*

## ACKNOWLEDGMENTS

A word of gratitude was conveyed to Duta Wacana Christian University for financing this research. Also thank to Yahya Wijaya for some of their theological ethics ideas and Rossalina Christanti who provides accounting analysis.

- answered.  
<https://www2.deloitte.com/content/dam/Deloitte/nz/Documents/audit/2015/nz-en-financial-reporting-by-not-for-profit-entities-in-nz-your-questions-answered-final.pdf>
- Dethier, F., Delcourt, C., & Willems, J. (2021). Transparency of nonprofit organizations: An integrative framework and research agenda. *International Journal of Nonprofit and Voluntary Sector Marketing*, August. <https://doi.org/10.1002/nvsm.1725>
- Fishbein, M. E., & Ajzen, I. (1975). *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research*. Addison-Wesley.
- Gorsuch, R. L., & Ortberg, J. (1983). Moral obligation and attitudes: Their relation to behavioral intentions. *Journal of Personality and Social Psychology*, 44(5), 1025–1028. <https://doi.org/10.1037/0022-3514.44.5.1025>
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., Black, W. C., & Anderson, R. E. (2018). *Multivariate Data Analysis*. Cengage Learning. <https://doi.org/10.1002/9781119409137.ch4>
- Harrill, A. J. (2011). Divine Judgment against Ananias and Sapphira (Acts 5: 1–11): A Stock Scene of Perjury and Death. *Journal of Biblical Literature*, 130(2), 351–369.
- Harris, E. E., & Neely, D. (2021). Determinants and Consequences of Nonprofit Transparency. *Journal of Accounting, Auditing and Finance*, 36(1), 195–220. <https://doi.org/10.1177/0148558X18814134>
- Hofstede, G. (1986). Cultural Difference In Teaching and Learning. *International Journal of Intercultural Relations*, 10, 301–320.
- Kendall, J., & Knapp, M. (2000). Measuring the Performance of Voluntary Organizations. *Public Management*, 2(1), 105–132. <https://doi.org/10.1080/146166700360181>
- Kumlin, S. (2006). The Personal and the Political: How Personal Welfare State Experiences Affect Political Trust and Ideology. In *Journal of European Social Policy* (Vol. 16, Issue 2). <https://doi.org/10.1177/095892870601600211>
- London, L., & Richardson, V. (2020). *Church Accounting: The How to Guide for Small & Growing Churches*. Deep River Press, Inc.
- Mudrack, P. (2007). Individual personality factors that affect normative beliefs about the rightness of corporate social responsibility. *Business and Society*, 46(1), 33–62. <https://doi.org/10.1177/0007650306290312>
- Myers, J., & Sacks, R. (2003). Tools, Techniques and Tightropes: The Art of Walking and Talking Private Sector Management in Non-profit Organisations, is it Just a Question of Balance? *Financial Accountability and Management*, 19(3), 287–306. <https://doi.org/10.1111/1468-0408.00175>
- Ortega-Rodríguez, C., Licerán-Gutiérrez, A., & Moreno-Albarracín, A. L. (2020). Transparency as a key element in accountability in non-profit organizations: A systematic literature review. *Sustainability (Switzerland)*, 12(14). <https://doi.org/10.3390/su12145834>
- Romney, M. B., & Steinbart, P. J. (2018). *Accounting Information System* (14th ed.). Pearson.
- Roslan, N., Arshad, R., & Mohd Pauzi, N. F. (2017). Accountability and Governance Reporting by Non-Profit Organizations. *SHS Web of Conferences*, 36, 00041. <https://doi.org/10.1051/shsconf/20173600041>
- Santosa, D. S. S., Pakpahan, G. K. R., & Haryanto, J. O. (2022). Evaluation of fiscal policy as a regulator of economic inequality based on the perspective of the Book of Amos. *5th NCBMA (Universitas Pelita Harapan, Indonesia) "The Opportunity of Digital and Technology Disruption,"* 797–804.
- Sanzo-Pérez, M. J., Rey-García, M., & Álvarez-González, L. I. (2017). The Drivers of Voluntary Transparency in Nonprofits: Professionalization and Partnerships with Firms as Determinants. *Voluntas*, 28(4),

- 1595–1621. <https://doi.org/10.1007/s11266-017-9882-9>
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial Least Squares Structural Equation Modeling. In *Handbook of Market Research*. [https://doi.org/10.1007/978-3-319-05542-8\\_15-2](https://doi.org/10.1007/978-3-319-05542-8_15-2)
- Speckbacher, G. (2008). Nonprofit Versus Corporate Governance: An Economic Approach. *Nonprofit Management and Leadership*, 18(3), 295–320. <https://doi.org/10.1002/nml>
- Torres, L., & Pina, V. (2003). Accounting for Accountability and Management in NPOs. *Financial Accountability & Management*, 19(3), 265–285.
- Welch, R. (2011). *Church Administration*. B&H Publishing Group.
- Wibowo, E. A., & Kristanto, H. (2018). Church members' perceptions of internal control. *Theological Echoes*, 3(1), 53. <https://doi.org/10.21460/gema.2018.31.348>