

PERSONAL FINANCES

The collapse of our money and credit system during 2008 has led to many countries and governments taking on significant debt to keep the hopes of millions of people alive and left multiple thousands of company's and individuals unemployed and insolvent. Some of the older businesses considered as "infallible" names, that have stood the test of time are no long functioning. We have entered an era where the historical impact of unrestrained, manipulated and at times ungoverned credit has left the current generation with significant challenges.

The damage and power of using unchecked and wrongly founded credit is not new, especially when times of adversity come.

The Old Testament leader, Nehemiah in the middle of a major building program faced similar challenges in his "congregation" when an unexpected natural drought came, and his people were left in anguish as a result of the wrongful use of credit. They were left in debt, discouraged and without hope for the next generation.

Nehemiah 5 (3-5) NKJ, says

3- There were some who said, "We have mortgaged our lands and vineyards and houses that we might buy grain because of the famine".

4- There were also those who said "We have borrowed money for the king's tax on our lands and vineyards"

5- Yet now..... we are forcing our sons and our daughters to be slaves..... It is not within our power to redeem them, for other men have our lands and vineyards.

What can we do in our personal life and as leaders to learn from Nehemiah's experience, so we can put the lessons in place to avoid or minimise the anguish and desperation.

1. They used credit to purchase consumable food

Consumable items such as food should not be placed on credit that cannot be repaid when payment is due. Food usually passes from our body within 24 hours, yet the credit and interest is ongoing. Try and restrict the use of term credit to assets or items of increasing value. There has been an increasing trend in Churches to put day to day costs on credit card, but then rely on next months offerings to meet the credit card bill. Wisdom would shout "match your income with expenses" in the month they occur.

2. They used credit to pay taxes based on historical revenue

When organizations or individuals receive revenue, there is normally some form of tax that attracts. Out of the profit or surplus from a transaction the appropriate tax portion should be isolated for payment of the future tax. For example, we see a number of Churches who have Goods and Services Tax payable as a result of Trading activities, who need an overdraft to meet the GST obligation from the trading revenue.

3. The liberty of the next generation was sacrificed

One of the most interesting things is that the burden of the debt was transferred to the next generation. Their children were sold into slavery as security or in substitution for repayments. It's sobering to think that the next generation in some way will carry the result of our decisions and

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this is particularly true in Church life. Excessive or uncontrolled borrowing in building programs becomes a burden for the next generation of new Christians to repay.

4. They were unable to recover.

The desperation and hopelessness of these words speak for themselves. It is not within our power to redeem ourselves. The vision and purpose of the past was sacrificed and was now outside of their control and beyond reach.

While intervention of Nehemiah and challenge to the credit providers led to a resolve and favourable outcome, the old adage that "a stitch in time saves nine" is surely applicable. Rightful use of a dollar of credit can save multiple dollars within time.

As Churches and leaders in the community lets learn from the wisdom off Proverbs 22 v 7 that says "The rich rules over the poor and the borrower of the servant of the lender", and use credit wisely to avoid it's power to minimize our vision and purpose..

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Managing your finances

What Biblical basis is there for planning and budgeting?

"Which one of you when he wants to build a tower, does not first sit down and calculate the cost to see if he has enough to complete it? Otherwise when he has laid the foundation, and is not able to finish it, all who observe it begin to ridicule..." Luke 14 vs 28-30 NASB

"The mind of a man plans his ways, but the Lord directs the steps..." Proverbs 16 v 9

Its important we know what we get in regularly and irregularly, and the timing of what we spend.

What about those one off annual payments, car insurance rego. Do we wait till they are due then borrow?

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| PERSONAL BUDGET | | | |
|------------------------------|---------------|---------------|----------------|
| | Two | | |
| REGULAR INCOME | Weekly | Weekly | Monthly |
| Wage Received in Hand | | | |
| Aus Study - Govt Grants | | | |
| Interest Income | | | |
| Other Income | | | |
| TOTAL INCOME | | | |
| | | | |
| REGULAR EXPENSES | | | |
| Church Giving | | | |
| Car Repayments | | | |
| Car Running Expenses | | | |
| Car Insurance | | | |
| Clothing / Haircare | | | |
| Credit Card Payments | | | |
| Groceries / Food etc | | | |
| Loan Repayment | | | |
| Phone & Internet | | | |
| Power / Gas | | | |
| Recreation / Sports | | | |
| Rent or Mortgage | | | |
| Other _____ | | | |
| Other _____ | | | |
| Savings | | | |
| TOTAL EXPENSES-deduct | | | |
| | | | |
| SURPLUS | | | |
| | | | |
| IRREGULAR EXPENSES | | | |
| Gifts (Birthday etc) | | | |
| Car Insurance | | | |
| Car Registration | | | |
| Car Repairs / Tyres etc | | | |
| Life Insurance | | | |
| Medical | | | |
| TOTAL EXPENSES-deduct | | | |
| | | | |
| SURPLUS | | | |
| | | | |
| To change to weekly | | 2 | 4.33 |