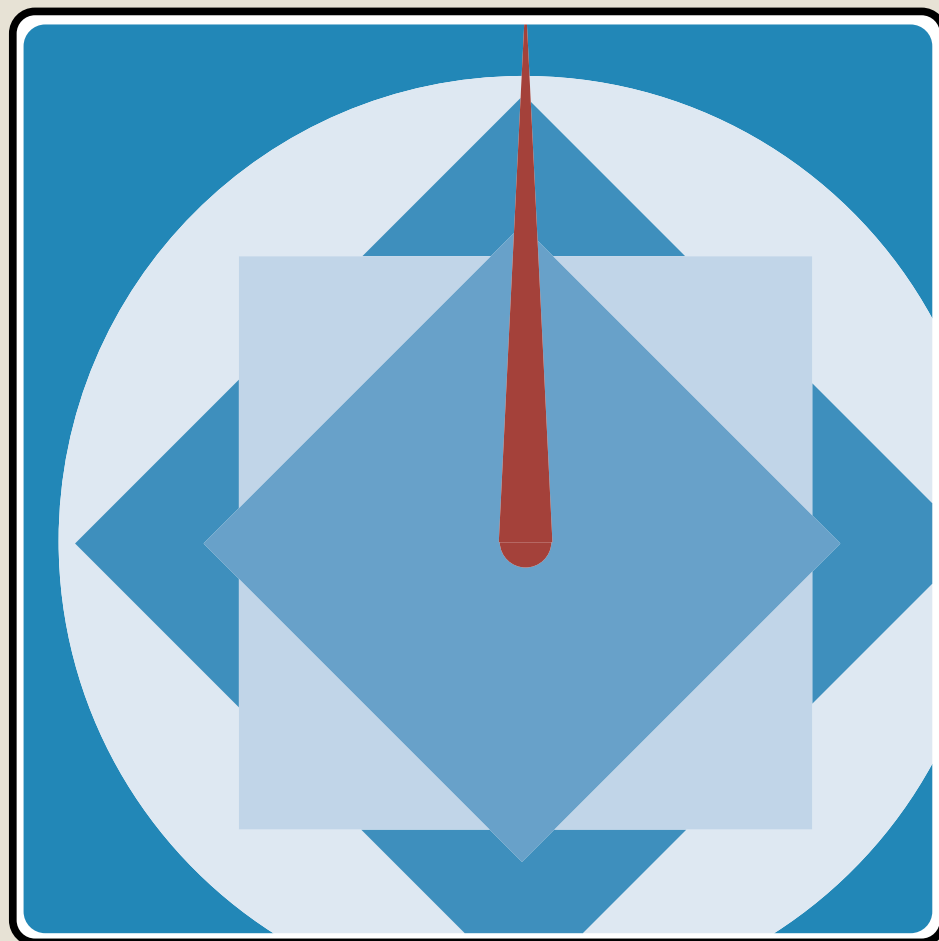


Your Social Ministry Organization's

Path to LCMS Recognition

through the Board for Human Care Ministries



Barb Below
Director, Social Ministry Organizations

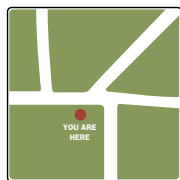
LCMS World Relief and Human Care
1333 South Kirkwood Road
St. Louis, MO 63122

800-248-1930, ext. 1383
Fax: 314-996-1128
E-mail: barb.below@lcms.org

www.lcms.org/worldrelief/rso

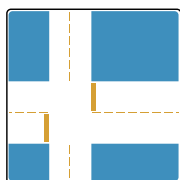
 THE
LUTHERAN CHURCH
Missouri Synod

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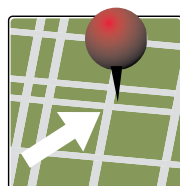
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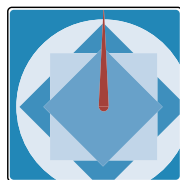
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Introduction:

Your guide to new opportunities

We are happy for your interest to seek a relationship with the LCMS through status as a Recognized Service Organization (RSO).

The LCMS receives RSO applications and assigns each to the board that best aligns with the work of the applying organization, delegating the responsibility to the applicable board to grant LCMS RSO status. While several boards in the LCMS structure are able to grant status, the status granted is Recognized Service Organization status of the LCMS (not of an individual board.) While recognition status can be granted by a specific board, an RSO is free to develop connections with the entire LCMS, all its departments and auxiliaries.

This booklet only pertains to the RSO expectations,

requirements, and process of the Board for Human Care Ministries. The Board for Human Care Ministries is also publicly known and referenced in print as the department of LCMS World Relief and Human Care (WR-HC). For the purposes of this document, the Board for Human Care Ministries (BHCM) name will be used.

This document provides introduction to the BHCM and it also provides the requirements and steps for you to complete your application process through the BHCM.

A glossary of terms used in this booklet and the LCMS RSO application packet is provided (Appendix 1, p.15)

What is recognition?

Establishes shared mission

There is a threefold reality in the life of the church to:

- 1 proclaim the Gospel of Christ,
- 2 engage in worship, and
- 3 respond with mercy and love toward the neighbor.

In response to God's love and motivated by God's mercy and forgiveness granted to us, the church looks to Lutheran individuals, congregations, districts, judicatories, and RSOs to reach out in mercy and love to meet the needs of those who are suffering, poor, sick, or lonely.

The Greek word for this important work of reaching out in mercy to those in need is "diakonia"

(pronounced dee-ak-on-ee'-ah) and means the act of loving service to the needy and should be done by all in connection to the church. RSOs are connected to the church and are integral to the accomplishment of the church's mission and ministry.

Yet Independent

While the RSO and the LCMS share a common mission, they are both autonomous and independent of each other. The LCMS will not control, supervise, or own any part of the RSO through recognition status. When considering applications for RSO status the BHCM will act with fidelity and integrity to the mission and ministry of their organization –thereby each being able to make the maximum contribution to the goals of the mission and ministry of the church.

Strengthened ministries

Each part of the church's ministry – congregation, RSO, and judicatory – offers its own contributions, strengths, and opportunities. Because of a shared mission with different strengths, all involved work interdependently. They communicate openly, support one another's ministries, and when able plan and collaborate together. By working together, their individual ministries are strengthened and they address human needs that may have been beyond the resources of any of the entities in isolation.

Public affirmation

Recognition is the means by which the LCMS affirms a service organization:

- Provides services that are in harmony and consistent with the ministry and programs of the LCMS and furthers the purposes of the LCMS.
- Fosters the mission and ministry of the church.
- Respects and does not act contrary to the doctrine and practice of the LCMS.

Background of LCMS Recognized Service Organization Status

The LCMS began granting RSO status in 1979. Since that time, the process for granting and maintaining RSO status has gone through several changes. A new RSO granting process was implemented in 2008. The LCMS Bylaws and the LCMS Board of Directors' policies outline the criteria for RSO status. In addition, the Board for Human Care Ministries adopted the guidelines and criteria included in this booklet. The LCMS bylaws, policies, and additional information about LCMS RSO status can be found at:

www.lcms.org/RSO

The Board for Human Care Ministries web page about RSOs offers information, resources, stories, and links related to being connected to the LCMS as an RSO through the Board for Human Care Ministries:

www.lcms.org/worldrelief/rso

Board for Human Care Ministries

LCMS World Relief and Human Care

Mission

To reach out in mercy and compassion to those in need motivated by Christ and His Gospel, according to the Lutheran confession of the faith.¹

Foundation of work

The foundation for the work of the BHCM is in the bold, firm trust in God's grace and belief that as believers we are created anew in Christ Jesus to walk in good works.

Motivation of work

The BHCM, motivated by Christ's love and in response to His mercy and grace given, reaches out, with joyfulness and cheer, with mercy and compassion to others.

These concepts can be found in the Solid Declaration of the Formula of Concord, Article IV:

Faith is a living, daring confidence in God's grace, so sure and certain that the believer would stake his life on it a thousand times. This knowledge of and confidence in God's grace makes men glad and bold and happy in dealing with God and all creatures. And this is the work that the Holy Spirit performs in faith. Because of it, without compulsion, a person is ready and glad to do good to everyone, to serve every one, and to suffer everything, out of love and praise to God, who has shown him this grace. Thus it is impossible to separate works from faith, quite as impossible as to separate heat and light from fire.²

1 The Lutheran Church—Missouri Synod. (2007). *Handbook: Constitution, Bylaws, Articles of Incorporation* (p. 10). St. Louis, MO.

2 Formula of Concord, Solid Declaration IV.

What Martin Luther says about mercy

Luther provides direction in carrying out our ministry when he wrote about how we should respond after partaking in the sacrament of the Lord's Supper.

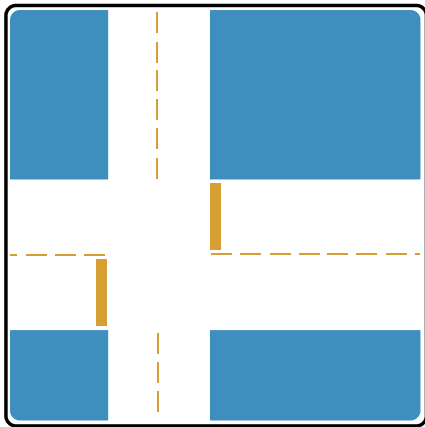
As love and support are given you, you in turn must render love and support to Christ in his needy ones. You must feel with sorrow all the dishonor done to Christ in his holy Word, all the misery of Christendom, all the unjust suffering of the innocent, with which the world is everywhere filled to overflowing. You must fight, work, pray, and – if you cannot do more – have heartfelt sympathy.³

Fight LCMS WR-HC will participate in the struggle for life, dignity, faith, and just treatment of all people. Because the devil, the world, and the flesh conspire to thwart the churches' work of mercy in Word and deed, this work shall always be accompanied by the cross and with struggle at every turn.

Work As the Synod's corporate arm of mercy, LCMS WR-HC is an expression of the body of Christ. Called, gathered, enlightened, and sanctified by Christ's Word and Sacrament, LCMS WR-HC is the church called to the sacred vocation and mission of mercy.

Pray LCMS WR-HC proudly, yet humbly fights and works in the Spirit of Christ, guided by the Word of God and the Lutheran Confessions. As the sacred work of the church, it is in every way spiritual, animated by the prayers of the church, and served by individual prayer, piety, and vocation.

3 LCMS World Relief and Human Care. (2004). *Fight, Work, Pray!: Luther on the Lord's Supper and care for the needy* (p. 10). St. Louis, MO.



Intersections: Shared pathways

Opportunities and benefits

Recognition brings wider opportunities to the LCMS and each specific RSO, including:

- ▶ LCMS congregations are encouraged to connect to RSOs so that congregations can share their Word and Sacrament ministries with individuals who are in need, where the Word of God has full sway with people, and are encouraged to view RSOs as a means to strengthen their members for service in the family, church, and community.
- ▶ Opportunity to work together toward common goals in endeavors and to respect the integrity of each other.
- ▶ Opportunities to collaborate together through open communication, transparency, and joint efforts.
- ▶ Building relationships based on collegiality and reciprocity, utilizing each other's skills and capacities
- ▶ Eligibility to receive loans from the Lutheran Church Extension Fund—Missouri Synod.
- ▶ Eligibility to participate in the various insurance and other worker benefits options offered by LCMS Concordia Plan Services.
- ▶ Eligibility to participate in gift planning and trust services offered by the LCMS Foundation.
- ▶ Eligibility to receive restricted funds raised by the LCMS or its boards, commissions, or agencies.
- ▶ Public identification with the LCMS and its agencies, including the use of the LCMS logo.
- ▶ Eligibility to participate in the LCMS Group Purchasing Agreement program.
- ▶ Eligibility to apply for grants from Lutheran Women's Missionary League (LWML).
- ▶ Broadened exposure to the LCMS church members who recognize and value organizations granted RSO status, hopefully resulting in greater access to financial, volunteer, and prayer support from LCMS districts, congregations, and members.

The benefits of recognition include:

Recognized Service Organization status is a mutually beneficial process. RSOs are valued by the LCMS, and the services that RSOs provide in their communities are viewed as an extension of the LCMS' mission and ministry. Being recognized by the LCMS as an RSO also benefits these service organizations. Among the benefits are:

- ▶ Ordained and commissioned ministers of the LCMS called by RSOs are eligible to remain on the active membership roster of the LCMS.
- ▶ For service organizations granted RSO status through the Board for Human Care Ministries, the RSO becomes a member of Lutheran Services in America (LSA) and is able to make full use of all benefits LSA provides.

Commitments to Recognized Service Organizations

To demonstrate its commitment to Recognized Service Organizations, the Board for Human Care Ministries will:

Share

- ▶ List each in the annual publication, *The Lutheran Annual*, of the LCMS, which provides a listing of all official rostered members of the LCMS, the agencies of the LCMS, and other organizations associated with the work of the LCMS;
- ▶ Offer grants, as able to advance ministry with and through RSOs;
- ▶ Identify, develop and/or participate in collaborative, cooperative ministries with RSOs;
- ▶ Attend RSO gatherings, as able.

Recommend

- ▶ Commend each RSO as a responsible, corporate ministry of the LCMS deserving of ongoing financial, volunteer, and prayer support;
- ▶ Uphold the RSOs ministries, as appropriate, in the regular and special communications of the Board for Human Care Ministries;
- ▶ Provide information and education to the LCMS about the RSOs services and programs;
- ▶ Recommend RSOs as potential partners to congregations seeking to address human care needs in their communities.

Advocate

- ▶ Serve as an advocate and conduit for RSOs to the LCMS, agencies, auxiliaries, districts, and congregations;
- ▶ Assist RSOs in accessing and making use of the benefits of RSO status.

Welcome to Lutheran Services in America (LSA)

All organizations granted RSO status by the LCMS through the Board for Human Care Ministries are members of Lutheran Services in America (LSA) and gain access to its resources, networks, information sharing, and public policy office, which assists with justice efforts.

In 1997, LSA officially began as an alliance of the ELCA, the LCMS, and their related health and human service organizations, to create a more robust response to the call to love and serve our neighbors. Now the network of 300 affiliated or recognized social ministry organizations partner to shape a future where society values generosity, inclusion, justice, and mutual care.

LSA is identified as a great asset in supporting social ministry organizations that are affiliated with the ELCA and recognized by the LCMS. LSA focuses on:

Sharing information & resources

- ▶ Public posting of your organization's locations and services in LSA's web based searchable database.

- ▶ Newsletters, resources, toolkits to strengthen boards, staff, and the services that organizations provide.
- ▶ Public posting of organization's job openings in LSA's personnel bulletin sent out to all members and posted on the LSA web site.
- ▶ Offering shared business relationships to enhance power and create savings, including group purchasing, telephone and web conferencing services, governance, risk and compliance management services, technology products and services, and services in unemployment matters.

Expert knowledge & advocacy

- ▶ Consulting services that improve operations and seize opportunities for organizations not only to survive but thrive and move into the future healthy and strong.
- ▶ Gain encouragement, opportunities for learning and discussion, resources, and stimuli for understanding living out Lutheran identity and church connection.

- LSA's Washington, D.C., based public policy office is on top of current legislation and advocacy impacting LSA members and the people they serve.

Seeking emerging opportunities

- Finding, developing, or sharing new efficiencies, resources, and programs in emerging opportunities and changes within service fields.

Leveraging assets

- Leveraging individual strengths, relationships and energy of the Lutheran social ministry system become a recognizable force harnessed to make a difference in God's name for individuals and communities.

Learning opportunities

- Accessing 300 service organizations with experience and expertise, innovations, and ideas.
- Gain encouragement, discussion, resources and stimuli for understanding living out Lutheran identity and church connection.
- Convening members around learning events, conferences, and webinars to share expertise, tools, and program knowledge with each other.
- Offering teleconferences and webinars, free learning sessions.

Leadership development

- CEOs attending the learning opportunity at the CEO Academy and Executive Retreat, with high powered presentations, and networking in the company of other Lutheran CEOs.

- Offering the annual Leadership Academy, for high level staff for leadership roles.
- Gathering at the Annual Conference for the board and staff members of organizations to join together to learn and network.

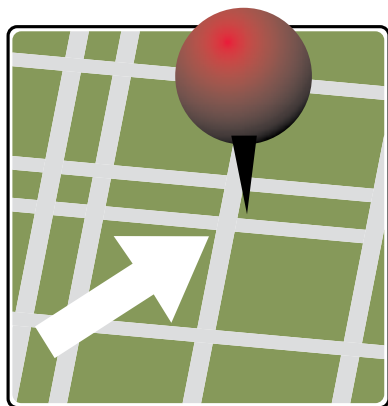
Networking

- Networks, opportunities to meet in working groups for professional development and integrated services. Meet and join colleagues from all over the country who share your interests, concerns and service delivery.

RSOs will be asked to pay LSA membership dues based on the organization's annual consolidated operating expense budget. Currently, the range of annual dues begins at \$110/year for organizations with budgets under \$1 million dollars and gradually increases for organizations with larger operating budgets. While the LCMS does not revoke RSO status for unpaid LSA annual dues, the LCMS strongly believes in the work and benefits of LSA and expects that each RSO should know and participate in LSA as much as possible through dues payment, attendance at conference, or participation in other LSA events.

If you have any questions regarding LSA, its resources, benefits, membership or annual dues, please contact:

Barb Below
Director of Social Ministry Organizations
LCMS World Relief and Human Care
barb.below@lcms.org
800-248-1930, ext. 1383
314-996-1383



Signposts: Criteria and expectations of RSO

Criteria of RSO Status

To receive recognition status, the service organization is required to comply with the following criteria:

Cooperation

- Identify with and foster the mission and ministries of LCMS and its programs.
- Work cooperatively with the Board for Human Care Ministries and engage in program activity that is in harmony with the programs of the LCMS, but specifically the programs of the Board for Human Care Ministries.
- Respect, and not act contrary to the doctrine, practice, and applicable resolutions of the LCMS.

Provisions in Governing Document (p.13)

- Specify the level of LCMS presence that will exist on the RSO governing board (i.e. number of LCMS on the board of directors).

- Clarify the meaning of LCMS RSO status.
- Commit residual assets to another 501(c)(3) organization in the event of the RSO dissolution.

Other documents

- Provide letter from IRS stating the RSO is able to operate under IRS Code Section 501(c)(3).
- Establish and maintain a policy that limits fund-raising costs in relation to receipts.
- Complete a financial activity questionnaire developed by the Board for Human Care Ministries (Appendix 4, p. 31).
- In accepting recognition, the RSO will sign an agreement with the LCMS agreeing to comply with all applicable bylaws and policies of the Synod (Appendix 3, p. 26).

Expectations of RSOs granted status

Service organizations that are granted LCMS RSO status are expected to:

Operate with good governance

- Follow a mission statement that declares the organization's purpose and directs its ministry of responding to human needs as an expression of the Gospel.
- Provide responsible governance, board training, and organization policies to ensure effective governance and excellence in service and management.
- Operate with faithful stewardship of the organization's resources.
- Demonstrate continuous growth in knowledge, effectiveness, and generosity of response to people in need.

Work cooperatively

- ▶ Reach an understanding with local RSOs and districts prior to establishing services in geographic areas not previously served by the organization.
- ▶ Notify and consult with the LCMS and its districts when a vacancy in the organization's chief executive office is anticipated or occurs.
- ▶ Make proper use of the LCMS logo.
- ▶ Provide headquarter and service site location addresses and contact information to be published annually in *The Lutheran Annual*.

Communicate

- ▶ Exchange annual reports with the LCMS, its applicable district(s), and other RSOs sharing the organization's service area.
- ▶ Notify the Board for Human Care Ministries when the RSO changes name, location, deletes services, or expands services to other locations. This can be done throughout the year or annually for submission to *The Lutheran Annual*.
- ▶ Demonstrate willingness for open communication and cooperation with the LCMS program boards of the LCMS, districts, congregations, and other LCMS RSOs.
- ▶ Include LCMS World Relief and Human Care to receive mailings, annual report, or other material updating on the RSOs work.

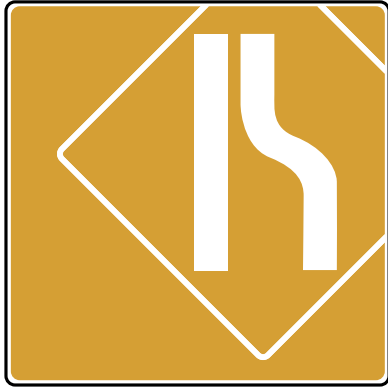
Connect to the LCMS

- ▶ Recruit LCMS board members who understand the church's role of mercy in addressing human care needs, and have expertise that can contribute to the board's effectiveness.

- ▶ Involve members of LCMS congregations in leadership of the organization (board membership, staff).
- ▶ Publicly acknowledge the LCMS and the Board for Human Care Ministries, as appropriate, through such things as newsletters, public gatherings, special services, and use of the LCMS logo.
- ▶ Pursue opportunities to inform and educate the LCMS membership to understand the needs of the populations served by the RSOs, and look for opportunities to work with the LCMS in service.
- ▶ Have ongoing, substantive connections to the LCMS through its districts, congregations, members, universities, schools, or auxiliaries.
- ▶ Preserve or enhance the Lutheran identity of the organization through such things as connection to Word and Sacrament ministries at LCMS congregations, use of prayer and God's Word, or through professional LCMS church workers in staff leadership positions.

Participate in LSA

- ▶ Agree to participate in LSA. Through recognition, the service organization becomes a member, receives the benefits accorded to LSA members and fully supports its mission, including paying annual dues.



Map Quest: Beginning the Journey Process

Steps of RSO Application through the BHCM

To begin the application process, an organization must complete the LCMS RSO Application Packet (Appendix 2, p. 17). This packet can be found online at www.lcms.org/RSO.

Mail the application packet according to the packet instructions. The application will be received by the LCMS RSO Process Committee and assigned to the board of the LCMS that best fits with the work and mission of the service organization. Other LCMS boards that may receive applications work with service organizations whose focus is school education, family programs, recreation ministries, mission efforts, etc. Those organizations that are similar in mission and work to the Board for Human Care Ministries will be assigned to the Board for Human Care Ministries for a complete review and status determination. **These instructions reflect the procedures to be followed for applications assigned to the Board for Human Care Ministries.**

Application Assigned to Board for Human Care Ministries

Once the Board for Human Care Ministries receives the application, a letter will be sent outlining the following documents that are needed to complete the application. If not already provided, the organization will be asked to submit the following documents:

- 1 Statement by the organization's leadership** (board chair, executive director, lead staff, etc.) indicating:
 - a** How the organization identifies with, fos-

ters, and extends the mission and ministry of the LCMS.

- b** How the organization is engaged in program activity that is in harmony with the programs of the Board for Human Care Ministries.
- c** List of ways, projects, and/or means the organization is connected to, or where it is working with LCMS districts, congregations, schools, universities, auxiliaries, or other LCMS partners.

2 Fund-raising policy

Copy of established policies to limit fund-raising costs in relation to receipts. The BHCM needs assurance that the organization will have reasonable fundraising expenditures to obtain contributions (spend a reasonable amount of money to raise, for example, \$100). There is no specific fundraising policy that is required and the organization has the freedom to establish policies and procedures based on its history, size, and needs. The policy does not need to appear in the governing documents (LCMS Policies 5.9.1.2.3).

3 Financial activity questionnaire

Completed Financial Activity Questionnaire (Appendix 4, p. 31) and provide all attachments as requested in the questionnaire. Not all sections of the questionnaire will be appropriate for all organizations and some smaller, newer organizations may not have the more complex financial structure or information requested. The

organization should complete the questionnaire to the best of its ability. This document is also available online at www.lcms.org/graphics/assets/media/WRHC/FINANCIAL%20ACTIVITY.pdf.

4 Lists

- a List of corporate members, if any.
- b List of board of director members, along with their church body affiliation or representation, demonstrating the applying organization is Lutheran both in membership and governance.

The above documents should be sent to:

Barb Below
Director of Social Ministry Organizations
LCMS World Relief and Human Care
1333 South Kirkwood Road
St. Louis, MO 63122-7295
barb.below@lcms.org
314-996-1394
800-248-1930, ext. 1383
Fax: 314-996-1128

Application review

Once the Board for Human Care Ministries receives the RSO application, it will review the documents and contact the organization regarding needed by-law amendments, and if necessary, possible dates to schedule an on-site visit to the organization.

Organizations are asked not to make any amendments to their bylaws until their application has been reviewed by the BHCM. A BHCM staff person will review the current organization bylaws and discuss with the organization any bylaw amendments that are necessary.

Governing documents

In review of the governing documents, an organization will be asked to include the following provisions in their bylaws:

- 1 **State the level of LCMS representation** that will exist on the board of directors of the organization. The LCMS Board of Directors Policy 5.9.1.1.4 (Appendix 3, p. 26) requires that all RSOs:
 - ... provide for appropriate LCMS representation on their governing boards, especially in the case of inter-Lutheran or inter-faith organizations (appropriate levels of repre-

sentation to be determined by the board of the LCMS to which the organization relates.)

An RSO is required to have on its board of directors (or similar governing body) individuals who are members of LCMS congregations or representatives of LCMS congregations. The Board for Human Care Ministries **desires that, whenever possible, a majority** or complete LCMS representation on governing boards exists. However, this level of LCMS presence is understandably not always possible or may not meet the needs of the RSO. In those cases, it is acceptable to have a minority of LCMS representation on governing boards. The following guidelines are used to determine the **minimum level** of LCMS representation that is acceptable as appropriate LCMS representation on governing boards:

30% individuals who are members of or representatives of an LCMS congregation

OR

A percentage that is representative of LCMS in another way. For example:

- ▶ The percentage of LCMS members in the membership of the organization
 - ▶ The percentage of LCMS congregations in the service area of the organization or state.
 - ▶ Proportionately based upon baptized or confirmed membership in the LCMS district and the ELCA synod.
 - ▶ Proportionately based upon the ELCA and LCMS congregations in the service area.
 - ▶ Other proportional representation that is appropriate.
- 2 **Dissolution Clause** – governing documents should state that in the event of dissolution of the corporation, the residual assets shall be distributed to another 501(c)(3) organization (LCMS Policies 5.9.1.2.4)
 - 3 **Clarify Recognition** - Provide provision in governing documents stating recognition by the LCMS (i) is not an endorsement of the fiscal solvency of the organization and (ii) does not express or imply endorsement of the fiscal solvency of the organization or any responsibility on the part of the LCMS for the debts or other financial obligations of the organization (Policies 5.9.1.2.5).

On-site visit

In most all situations, an on-site visit will be conducted as part of the application process. The onsite visit will consist of a tour of the organization's facility and/or services sites. A meeting (approx. 2-3 hours or more) will be led by BHCM staff with district representation, organization key senior leadership, and board chair and/or other board members. The BHCM staff will contact the district president and request either he, or a representative, attend the on-site visit. The purpose of the on-site visit is to better understand the full range of services provided by the organization, the challenges and successes of the organization, enhance the important relationship with the district, and better understand the mission and ministry of the BHCM.

Staff recommendation

After a complete review of the application and all supporting documentation, and the on-site visit if necessary, BHCM staff will submit a report to the board with recommendation to grant or deny RSO status to the organization. The board may request further information, or make the decision to grant or decline RSO status.

Status determination

In the event the BHCM declines to approve the application, it will be returned to the RSO Standing Committee for further action. If the BHCM takes action to approve the granting of LCMS recognition status to the organization, BHCM staff will work to coordinate the signing of the agreement and sending the organization a framed RSO certificate for display.

Agreement

After the BHCM has approved the application for RSO status, the BHCM will forward two copies of the agreement document between The Lutheran Church—Missouri Synod and the organization to the applicant (Appendix 3, p. 26). The organization will sign and return both copies to the BHCM.

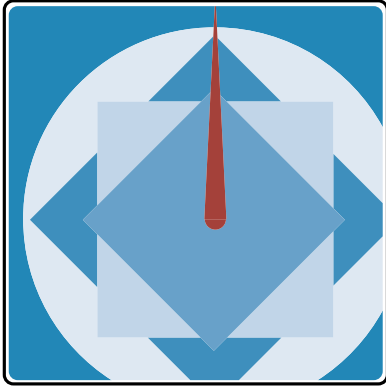
Upon receipt of the signed agreement, the BHCM executive director will also sign the agreement. The effective date of RSO status is the date when two copies of the agreement are signed by the organization and the BHCM executive director. One signed agreement will be returned to the organization and the other will be kept by the LCMS.

Termination of recognition

The agreement for status will be effective and remain in force for a period of five (5) years after the date of the agreement. Either party may, with or without cause, terminate the agreement with 60 days written notice to the other party. Upon the effective date of termination of status, the RSO will cease representing itself as an RSO of the LCMS, including the use of any written, electronic, or communications or written material and return any materials in possession of the RSO reflecting status as an LCMS Recognized Service Organization.

Recognition by the LCMS with affiliation by the ELCA

When an RSO is pursuing recognition with the LCMS and affiliation with the ELCA at the same time, the LCMS and ELCA staff will work together to avoid unnecessary duplication of effort by the service organization (Appendix 5, p. 35).



Appendices: Your map and navigational tools

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Appendix 1 - Glossary of Terms

Affiliation	Status granted by the Evangelical Lutheran Church in America to social ministry organizations signifying that the organization has met all ELCA criteria.
Agency of the Synod	A unit of the LCMS church other than a congregation. Agencies include each board, commission, council, seminary, university, college, and district, as well as Concordia Plan Services, Concordia Historical Institute, Concordia Publishing House, LCEF, and LCMS Foundation.
Articles of Incorporation	The primary rules governing the managements of a corporation in the United States and Canada and are filed with a state or other regulatory agency. Sometimes referred to as the certificate of incorporation or the corporate charter. Generally costs money to file original and amendments with the state.
Auxilliary	Organization that exists as an arm of the LCMS and has as its primary function aiding the LCMS, specifically in programs that extend the ministry and mission of the LCMS. Auxilliary status is presently limited to International Lutheran Laymen's League (LLL) and International Lutheran Women's Missionary League (LWML).
Board for Human Care Ministries (BHCM)	The LCMS has seven program boards to carry out its work. The Board for Human Care Ministries provides opportunities through which the members of the LCMS may express their Christian concern, love, and compassion in meeting human needs. This board also operates under the name LCMS World Relief and Human Care.
Bylaws	Rules regulating the operation of the organization, defining the form and manner in which the organization will run. They are drafted by the corporation's founders or director under the authority of the articles of incorporation.
Concordia Plan Services	The LCMS health, disability, and retirement benefits provider of choice for LCMS congregations, schools, universities, seminaries, mission fields worldwide, Recognized Service Organizations, and others.
Concordia Publishing House (CPH)	The publishing house of the LCMS, serving the church by developing, producing, marketing, and distributing biblical resources.
District	A division of the LCMS that covers either a geographic or non-geographic area. There are 35 districts of the LCMS. (The ELCA uses the term "synod".)
District President (DP)	An ordained clergy who serves as the chief executive of the LCMS district and represents the LCMS to his district.
Financial Activity Questionnaire (FAQ)	A form regarding the financial management of the organization required by the BCHM to be completed.
Judicatory	Administrative and ecclesiastical authority; in this document it is used as a broad term for LCMS districts, program boards or leaders.
LCMS Roster	LCMS called or commissioned church workers (pastors, teachers, deaconess, chaplain, etc.)
Lutheran Church Extension Fund (LCEF)	A corporate entity that provides financial resources, investments, loans and related services for ministry, witness, and outreach for the LCMS.
Lutheran Services in America (LSA)	An alliance of ELCA, LCMS, and more than 300 health and human service organizations.

Lutheran Women Missionary League (LWML)	The official women's auxilliary of the LCMS, focused on affirming each woman's relationship with Christ, and encouraging and equipping women to live out their Christian lives in active mission ministries and to support global missions. www.lwml.org
Pan Lutheran	Consisting of representation from both the Evangelical Lutheran Church in America, The Lutheran Church—Missouri Synod, and other Lutheran denominations
Recognized Service Organization (RSO)	Term used by the LCMS to refer to a service organization that has been grant recognition status by the LCMS. The ELCA uses the term social ministry organization to refer to the same type of organization that the ELCA has granted affiliation status.
Social Ministry Organization (SMO)	Term used by the ELCA to refer to a service organization granted affiliation with the ELCA.
Subsidiary	Subsidiaries are separate, distinct, legal entities for the purposes of taxation and regulation. For this reason, they differ from divisions, which are businesses fully integrated within the main company, and not legally or otherwise distinct from it.
Synod	Refers collectively to the association of self-governing LCMS congregations and all its agencies on the national and district levels. (The ELCA uses this term to refer to the geographical division of congregations. See District.)
The Lutheran Annual	The official directory of the LCMS, used as a reference tool of all districts, church workers, schools, agencies, and partner churches.
World Relief and Human Care (WR-HC)	The department of the LCMS that is to provide opportunities through which the members of the LCMS may express their Christian concern, love, and compassion in meeting human needs. Also known as the Board for Human Care Ministries. www.lcms.org/worldrelief
501(c)(3) status	Section 501(c)(3) is a tax law provision granting exemption from the federal income tax to non-profit organizations. This exemption does not cover other federal taxes such as employment taxes. 501(c)(3) exemptions apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals.

Appendix 2 - LCMS RSO Application Packet

RSO Application

Contact Information

Corporation name: _____
Address (headquarters): _____

Phone number: _____ Fax number: _____
Web site: _____
President/Executive Director: _____
E-mail: _____ Direct dial: _____

About Your Organization

Date of incorporation: _____ Number of staff: _____

Services provided (*check all that apply*):

- | | | |
|---|--|---|
| <input type="checkbox"/> Communications/media | <input type="checkbox"/> Education (institutional setting) | <input type="checkbox"/> Human service/care |
| <input type="checkbox"/> Congregational services | <input type="checkbox"/> Evangelism | <input type="checkbox"/> Spiritual care |
| <input type="checkbox"/> Disaster response/relief | <input type="checkbox"/> Historic preservation | <input type="checkbox"/> Other |

LCMS district in which you are located (*see enclosed map*): _____

Additional operating locations (*attach list if needed*):

Please provide a brief statement explaining why your organization desires to become an RSO of The Lutheran Church—Missouri Synod (*attach separate sheet if needed*): _____

List the agency of the Synod with which you wish to relate (*please check one*):

- | | |
|---|---|
| <input type="checkbox"/> Board for Black Ministry Services | <input type="checkbox"/> Board for Mission Services |
| <input type="checkbox"/> Board for Communication Services | <input type="checkbox"/> Board for Pastoral Education |
| <input type="checkbox"/> Board for District and Congregational Services | <input type="checkbox"/> Board for University Education |
| <input type="checkbox"/> Board for Human Care Ministries | <input type="checkbox"/> Other _____ |

Please provide a brief statement explaining how your organization relates to the mission and ministry of this LCMS agency (*attach separate sheet if needed*):

Name _____ Title _____ Date _____

For your convenience, you may access this form online at www.lcms.org?13433

Completed RSO application form and copies of organization's documents should be returned to:

Office of the Secretary • The Lutheran Church—Missouri Synod
1333 S. Kirkwood Road • St. Louis, MO 63122-7295 • (800) 248-1930

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Benefits of RSO Status*

Recognizing service organizations is a mutually beneficial process. RSOs are valued partners of the LCMS, and the services RSOs provide in their communities are viewed as a profound extension of the LCMS' mission and ministry. Being recognized by the Synod as an RSO also benefits these service organizations. Among those benefits are the following:

- Ordained and commissioned ministers of the Synod called by RSOs are eligible to remain on the active membership roster of the Synod.
- Eligibility to receive loans from the Lutheran Church Extension Fund (LCEF).
- Eligibility to participate in the various insurance and other worker benefits options offered by LCMS Concordia Plan Services.
- Eligibility to participate in gift planning and trust services offered by the LCMS Foundation.
- Eligibility to receive restricted funds raised by the Synod or its boards, commissions, or agencies.
- Public identification with the Synod and its agencies, including the use of the Synod's logo.
- Eligibility to participate in the LCMS Group Purchasing Agreement program.
- Eligibility to apply for grants from Lutheran Women's Missionary League (LWML).

Note: Ability to participate in LCMS benefit programs is subject to all synodical bylaws and policies.

* Subject to change without notice.

If you have questions or need additional information, please contact the LCMS Office of the Secretary at (800) 248-1930.

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Checklist of Required Documents

Organizations that choose to apply (or reapply) for RSO status with The Lutheran Church—Missouri Synod must submit current copies of the following documents for review:

LCMS Forms *(enclosed)*

- ☐ RSO Application form
- ☐ District President Statement form *(to be completed and returned separately by district president)*

Your Organization's Documents

- ☐ Articles of Incorporation
- ☐ Bylaws
- ☐ Current mission/purpose/vision statement
- ☐ IRS 501(c)(3) determination letter
- ☐ Most recent annual report
- ☐ List of board members and their church body affiliations
- ☐ Brief summary of the history of the organization
- ☐ Description of organizational structure/organization chart
- ☐ List of office locations (of those that are not locations of separately incorporated entities)
- ☐ List of rostered church workers on staff
- ☐ List of other affiliations, such as churches, schools, United Way, etc.
- ☐ Description of services and/or programs offered by the organization
- ☐ Summary of connections/relationships/partnerships with LCMS districts, congregations, schools, universities, and/or auxiliaries
- ☐ Optional:
 - o Strategic plan
 - o Brochures/other promotional material
 - o Newsletters/other publications

Note: The LCMS agency to which an inquiring organization is assigned may have additional policies or criteria for granting RSO status. The organization will be notified if that is the case.

Completed RSO application form and copies of organization's documents should be returned to:

Office of the Secretary • The Lutheran Church—Missouri Synod
1333 S. Kirkwood Road • St. Louis, MO 63122-7295 • (800) 248-1930

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District President Statement

The Lutheran Church—Missouri Synod is divided into districts to achieve its objectives and to carry on its activities more effectively. Each district's president, charged with the ecclesiastical supervision of the congregations and church workers of his district, also provides general oversight for all activity within the district. Thus, when a service organization applies for Recognized Service Organization (RSO) status, the president of the geographical district in which the organization is located shall have the opportunity to offer input regarding the determination of RSO status, since the organization in question may affect the mission and ministry of the district and its congregations and church workers.

All organizations applying for RSO status are therefore required to meet to discuss their work with the appropriate district president, who is asked to provide the information below and return this form to the Office of the Secretary of The Lutheran Church—Missouri Synod at his earliest convenience.

RSO Applicant

(Please use typewriter or word processing program to complete this form; do not handwrite. For your convenience, you may access this form online at www.lcms.org?13433.)

Corporation name: _____

Address: _____

Meeting Summary

Meeting date: _____

Location of meeting: _____

Attendees: _____

District President Statement

■ Are you satisfied that this organization, while independent of the Synod, will foster the mission and ministry of the church, engage in program activity that is in harmony with the programs of the Synod, and respect and not act contrary to the doctrine and practice of the Synod?

☐ YES ☐ NO (Check one)

If "No," please provide explanation, request further information, or offer recommendations for actions or changes needed:

■ Are you willing to advocate in support of and welcome the RSO status of this organization?

☐ YES ☐ NO (Check one)

If "No," please provide explanation: _____

Signed: _____ Date: _____

(District President)

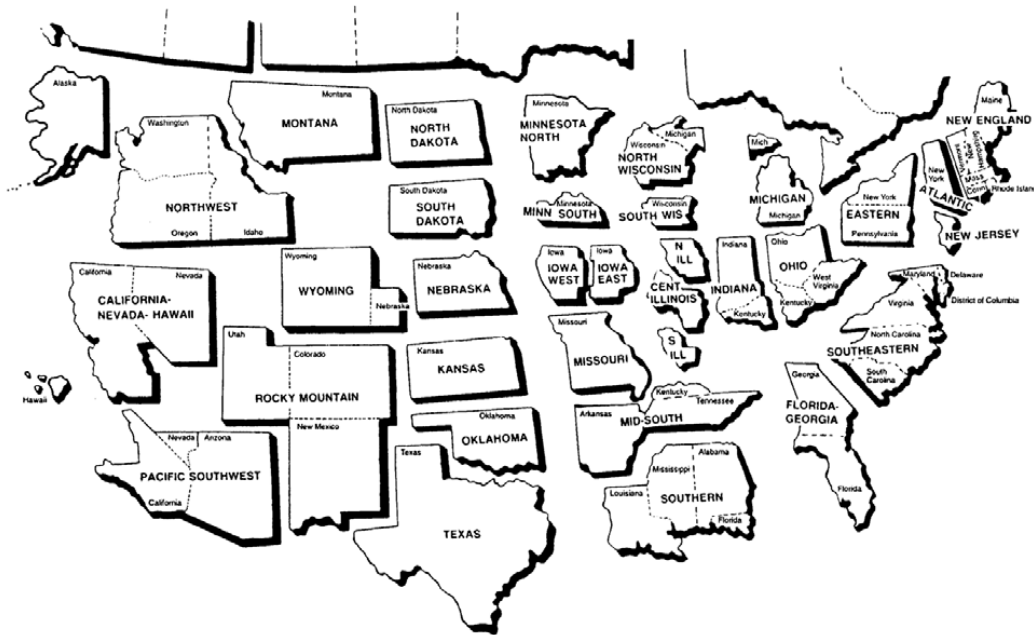
District president should fax or mail this form to:

Office of the Secretary
The Lutheran Church—Missouri Synod
1333 S. Kirkwood Road • St. Louis, MO 63122-7295
Fax: (314) 996-1119

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Map of LCMS Geographically-Based Districts

Organizations applying for RSO status are required to meet with the appropriate LCMS district president and obtain a signed District President Statement form. There are 33 geographically-based LCMS districts, as identified on the U.S. map below. For assistance in determining the district in which your organization is located, and to obtain that district office's contact information, visit www.lcmsdistricts.org or call (888) 843-5267 (THE LCMS).



If you have questions or need additional information, please contact the LCMS Office of the Secretary at (800) 248-1930.

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LCMS Bylaws and Policies

Organizations applying for RSO status must agree to operate in accordance with Synod bylaws and LCMS Board of Directors policies applicable to RSOs. The applicable bylaws and policies are copied below:

LCMS Bylaws Relative to RSOs

The Synod has a lengthy history of recognizing the contributions made by service organizations. A distinction between auxiliaries and other service organizations was made by the 1979 convention, which established separate bylaw sections governing its relationship with auxiliaries (Bylaw 17.01) and “other listed service organizations” (Bylaw 17.03). At that time, Lutheran Medical Mission Association was the only such listed organization listed in the bylaws. Today, although the Synod no longer lists them in its bylaws, several hundred organizations are recognized and have been called “recognized service organizations” since 1992. Bylaw section 6.2, which governs the granting of recognized service organization (RSO) status, is reprinted below from *The Lutheran Church—Missouri Synod 2007 Handbook*. The complete handbook is available online at www.lcms.org?2434.

6.2 Recognized Service Organizations

- 6.2.1 The granting of recognized service organization status by the Synod signifies that a service organization, while independent of the Synod, fosters the mission and ministry of the church, engages in program activity that is in harmony with the programs of the boards of the Synod, and respects and does not act contrary to the doctrine and practice of the Synod.
- (a) Under the governance and policies of its own board, a recognized service organization operates with freedom and self-determination as a ministry organization independent of the Synod or districts or congregations of the Synod in the establishment and evaluation of its own objectives, activities, and programs, in organization and administration, and in financial matters.
 - (b) The Board of Directors of The Lutheran Church—Missouri Synod shall adopt common policies for granting recognized service organization status.
 - (c) Each operating board of the Synod may also adopt policies and criteria to assure that its unique needs are met and shall report these to the Board of Directors.
- 6.2.2 Recognized service organization status may be granted to a service organization (other than an auxiliary) that extends the mission and ministry of the Synod but is not part of the Synod as defined by its Constitution and Bylaws.
- (a) Requests for recognized service organization status shall be made to the board of the Synod to which the organization desires to relate.
 - (b) Within the area of its responsibility, each board of the Synod may determine those organizations to which recognized service organization status will be granted.
- 6.2.3 Each board of the Synod shall adopt policies requiring each recognized service organization to give its assurance in its governing documents that recognition as a service organization is not an endorsement by the Synod or a guarantee of financial responsibility for the debts and obligations of the organization or for services provided or offered.

LCMS Policies for Granting RSO Status to Service Organizations

LCMS Board of Directors policies provide guidance to all agencies of the Synod as they work to carry out their responsibilities. As such, specific policies refer to the granting of RSO status to service organizations. Policies 5.9.1 and 5.9.2, copied below, govern the granting of RSO status. The complete *Board of Directors Policy Manual* is available online at www.lcms.org?10187.

5.9 Granting of Recognized Service Organization Status by Agencies of the Synod

5.9.1 RSO Status and Limitations

Bylaw 6.2 provides for granting “Recognized Service Organization” (RSO) status to independently incorporated service organizations that are independent of the Synod and whose ministries foster and extend the mission and ministry of the Synod. Requests for RSO status are made through the board of the Synod to

If you have questions or need additional information, please contact the LCMS Office of the Secretary at (800) 248-1930.

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which the organization desires to relate (Bylaw 6.2.2 [a]). Through recognition, the Synod affirms that an RSO is compliant with policies adopted by the Board of Directors (Bylaw 6.2.1 [b]) and any policies and criteria established by the operating board of the Synod to which it relates (Bylaw 6.2.1 [c]).

Recognition of a service organization by the Synod commends the RSO as a responsible corporate ministry that is not a part of the constitutional, legal structure of the Synod. However, the granting of RSO status does not imply accreditation or certification of the organization or its programs. Corporate Synod and its agencies disavow any participation in or responsibility for the governance, policies and programs of the organization and makes no representations or guarantees regarding the fiscal solvency or financial responsibility of the organization or any services that it expressly or implicitly offers.

RSO status is granted to the organization identified in the RSO agreement executed by the RSO and the Synod agency (Agreement). Subsidiaries and affiliates of the requesting organization are excluded from the agreement and are not entitled RSO status unless specifically identified in the Agreement as being party to the agreement.

In order that Synod's recognition of service organizations will be of maximum benefit to the church, the Board of Directors provides the following common policies:

- 5.9.1.1 The Synod boards shall assure that the corporate service organizations granted Recognized Service Organization status:
 - 5.9.1.1.1 Identify with the mission and ministry of the Synod but are independent of the Synod's constitutional, legal structure.
 - 5.9.1.1.2 Respect and do not act contrary to the doctrine and practice of the Synod as set forth in the Constitution, specifically Article II, and applicable resolutions of the Synod.
 - 5.9.1.1.3 Foster the mission and ministry of the Synod and engage in program activity that is in harmony with the programs of the boards of the Synod.
 - 5.9.1.1.4 Provide for appropriate Synod representation on their governing boards, especially in the case of inter-Lutheran or inter-faith organizations (appropriate levels of representation to be determined by the board of the Synod to which the organization relates).
- 5.9.1.2 The Synod shall be assured that corporate service organizations that are granted Recognized Service Organization status:
 - 5.9.1.2.1 Have provided assurance of Internal Revenue Code Section 501 (c) (3) tax exemption.
 - 5.9.1.2.2 Operate with freedom and self-determination under the governance and policies of their own boards in establishing and evaluating their organizational, financial and administrative objectives, activities and programs.
 - 5.9.1.2.3 Have established and maintain policies that limit fund-raising costs in relation to receipts.
 - 5.9.1.2.4 Are able to demonstrate that, in the event of dissolution of the corporation, the residual assets shall be distributed to another 501 (c) (3) organization.
 - 5.9.1.2.5 Have included provisions in their governing documents to clarify that

recognition by the Synod (i) is not an endorsement of the fiscal solvency of the organization and (ii) does not express or imply endorsement of the fiscal solvency of the organization or any responsibility on the part of the Synod for the debts or other financial obligations of the organization. Such provisions are subject to approval by Synod's legal counsel.

- 5.9.1.2.6 Sign an Agreement by which the organization agrees to comply with all applicable Bylaws and policies of the Synod.
- 5.9.1.2.7 Include in all agreements or other documents creating secured indebtedness of the organization or financing obligations (such as promissory notes, bond issues, or other financing agreements) in a principal amount in excess of ten percent of the assets of the corporation (as evidenced by its most recent audited financial statement) the following disclaimer of financial responsibility of the Synod for the obligations of the organization:

It is agreed and acknowledged that the recognized service organization status conferred upon [RSO] by The Lutheran Church—Missouri Synod is not an endorsement by the Synod of the fiscal solvency of [RSO] or of the services or programs offered by [RSO]. By recognizing [RSO] as a recognized service organization, the Synod does not undertake any obligation to repay or guarantee [RSO]'s debts or other financial obligations.

- 5.9.1.2.8 Include in the Agreement a provision by which the organization agrees to indemnify and defend corporate Synod and all agencies of Synod against lawsuits and claims against them resulting from or arising out of the Synod's recognition of the organization, such provision to read as follows:

[RSO] agrees to defend, indemnify and hold harmless corporate Synod and all Synod agencies together with the officers, directors and employees of each such organization from any and all liability, loss, damage or costs, including attorneys' fees, they, or any of them, may suffer as a result of claims, demands, actions, costs or judgments arising against any of them in any way relating to [RSO] or arising by reason of the Synod's recognition of [RSO] as a recognized service organization of the Synod, including, without limitation, claims asserting that (RSO) is controlled or endorsed by the Synod or that the Synod negligently granted or maintained the recognized service organization status of [RSO] or failed to properly monitor the actions and undertakings of [RSO].

5.9.2 RSO Standing Committee

- 5.9.2.1 The RSO Standing Committee is a standing committee of the Board of Directors constituted to supervise and facilitate the RSO-granting process of the Synod, with the Board of Directors retaining general interest and supervisory responsibilities on behalf of the Synod.
- 5.9.2.2 The membership of the RSO Standing Committee will be composed of
 - 5.9.2.2.1 The Secretary, the Chief Administrative Officer, and the Director of Business Services of the Synod as ex officio members, and
 - 5.9.2.2.2 Three additional members appointed annually—one by each of the three agencies granting the greatest number of service organization recognitions.
- 5.9.2.3 The RSO Standing Committee will meet at least four times annually to conduct its

business, with the Secretary serving as Chairman and two appointed members serving as the Vice-Chair and Secretary of the committee. The committee's business shall include:

- 5.9.2.3.1 Maintaining a uniform process for the application, granting, monitoring, and reapplication (every five years) of recognized service organization status
- 5.9.2.3.2 Informing service organizations of the requirements of recognized status upon their application for such status through a board of the Synod
- 5.9.2.3.3 Informing service organizations of the benefits and privileges that accompany the granting of recognition by the Synod, including:
 - Eligibility of ordained and commissioned ministers of the Synod called by recognized service organizations to remain on the active membership roster of the Synod;
 - Eligibility to apply for loans from the Lutheran Church Extension Fund—Missouri Synod, subject to LCEF policies;
 - Eligibility for “employer” status under the various Concordia Plans of the Synod, subject to Concordia Plans policies;
 - Eligibility for gift planning and trust services of The Lutheran Church—Missouri Synod Foundation, subject to Foundation policies;
 - Eligibility to receive restricted funds raised by the Synod subject to approval by the Synod board to which the organizations relates and by the Synod’s Vice-President—Finance—Treasurer, such approval taking into consideration demonstrated need and specific purpose for which the funds are to be used;
 - Public identification with the Synod and its agencies, including the use of the corporate Synod’s logo, subject to Board for Communication Services’ policies;
 - Eligibility to participate in the LCMS Group Purchasing Agreement program, subject to certain restrictions; and
 - Eligibility to apply for grants from Lutheran Women’s Missionary League, subject to LWML policies.
- 5.9.2.3.4 Review the additional policies and criteria provided by the Corporate Synod agencies that grant recognition to service organizations (Bylaw 6.2.1 [c]) to assure that the unique needs of those boards and the expectations of the Synod are met.
- 5.9.2.3.5 Providing regular status and activity reports to the Board of Directors and Conventions of the Synod, including reports of policies and criteria adopted by the boards of the Synod.
- 5.9.2.3.6 Listing all Recognized Service Organizations in The Lutheran Annual. The listing shall be prefaced by a statement that recognition is not a guarantee on the part of the Synod on the fiscal solvency of the Recognized Service Organization and that the Synod has no financial responsibility for a recognized organization or services expressed or implied.

Note: The LCMS agency to which an inquiring organization is assigned may have additional policies or criteria for granting RSO status. The organization will be notified if that is the case.

Appendix 3 - LCMS Agreement with Recognized Service Organizations

AGREEMENT

FOR RECOGNIZED SERVICE ORGANIZATIONS OF THE LUTHERAN CHURCH—MISSOURI SYNOD (Through the Board for Human Care Ministries a.k.a. LCMS World Relief and Human Care)

This sample agreement is provided for information purposes only. Upon successful completion of the approval process, the LCMS agency to which the RSO will be attached shall generate a binding agreement for signature.

THE LUTHERAN CHURCH—MISSOURI SYNOD RECOGNIZED SERVICE ORGANIZATION AGREEMENT

THIS AGREEMENT (the “agreement”), dated as of the date set forth on the signature page hereto (the last page), by and between The Lutheran Church—Missouri Synod, a Missouri nonprofit corporation (“LCMS”), or a board or agency thereof, as set forth on the signature page hereto and the Recognized Service Organization executing this agreement set forth on the signature page hereto (the “RSO”),

WITNESSETH:

WHEREAS, LCMS’s Bylaw 6.2 and LCMS Board of Directors’ Policy 5.9 provide for the granting of Recognized Service Organization status by the LCMS and provide certain criteria relative to such entities (the “LCMS Rules”); and

WHEREAS, the LCMS and RSOs desire that RSO be designated as a Recognized Service Organization of the LCMS consistent with the LCMS rules;

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

Section 1. Recognized Service Organization. The LCMS hereby designates RSO as a Recognized Service

Organization of the LCMS on the terms set forth herein, and the RSO hereby accepts the designation as a Recognized Service Organization of LCMS on the terms set forth herein. The RSO hereby agrees to comply with and abide by LCMS rules relative to Recognized Service Organizations as such now exist and as they may be hereafter amended by the LCMS.

RSO agrees (a) to foster the mission and ministry of the Synod, (b) to engage in programs in harmony with the Synod, and (c) not to act contrary to the doctrine and practices of the Synod as outlined in the LCMS Constitution and By-laws, the LCMS Board of Directors’ policies and the LCMS Convention resolutions that apply to Recognized Service Organizations.

The RSO agrees that its board of directors (or similar governing body) will include members of, or representatives of congregations that are members of the Synod at an appropriate level determined by the LCMS, the board or the agency set forth on the signature page hereto.

Section 2. RSO and a Board of the LCMS. The LCMS, or a board or agency of the LCMS grants status as a Recognized Service Organization of the LCMS, as is set forth herein. The RSO agrees to comply with any and all policies and criteria of the LCMS or its boards or agencies. The LCMS, its boards, or agencies, reserve the right to change its policies

and criteria for granting Recognized Service Organizations at any time in its sole discretion, and to require the RSO to provide evidence of compliance with any policies and criteria.

Section 3. RSO a Separate Entity; No Financial Liability to the LCMS. The RSO agrees that it is a separate legal entity from the LCMS and its agencies and that the LCMS shall have no financial responsibility with respect to the RSO. The RSO further agrees as follows:

- (a) that it will not hold itself as an agent of, having authority to act on behalf of, or legally bind the LCMS in any way, or make any representations that it is a part of the LCMS or its agencies or that the RSO is an agency, division, subsidiary, or affiliate of the LCMS;
- (b) the LCMS has no responsibility for the finances or financial obligations of the RSO;
- (c) the LCMS does not endorse the fiscal solvency of the RSO, nor its services or programs, and does not express or imply responsibility by the LCMS for the debts or other financial obligations of the RSO;
- (d) the RSO will include the following provision in its governing documents:

Recognition by the Synod (i) is not an endorsement of the fiscal solvency of (name of RSO), nor of services or programs offered by (name of RSO), (ii) does not express or imply endorsement of the fiscal solvency of (name of RSO), or synodical responsibility for the debts or other financial obligations of (name of RSO), and (iii) does not cause the Synod or its districts or congregations to incur or be subject to the liabilities or debts of (name of RSO) or its subsidiaries and/or affiliates.
- (e) The RSO will include a disclaimer of financial responsibility for its obligations in all agreements or other documents creating indebtedness of the RSO (such as promissory notes, bond issues, or other financing agreements) in excess of 10% in value of the assets of the RSO, as evidenced by its most recently prepared financial statement. Such disclaimer shall read as follows:

It is agreed and acknowledged that the Recognized Service Organization status conferred upon (name of RSO) by The Lutheran Church—Missouri Synod is not an endorsement by the Synod of the fiscal solvency of (name of RSO) or of the services or programs offered by (name of RSO). By recognizing (name of RSO) as a Recognized Service Organization, the Synod does not undertake any obligation to repay or guarantee (name of RSO)'s debts or other financial obligations.
- (f) The RSO shall defend, indemnify, and hold harmless the LCMS, its districts, integral components, boards and agencies, together with the officers, directors, and employees of each from any and all liability, loss, damage, or costs, including attorneys' fees, they, or any of them, may suffer as a result of claims, demands, actions, costs, or judgments arising against any of them in any way relating to the RSO or arising by reason of the recognition of the RSO as a Recognized Service Organization hereunder, including, without limitation, claims asserting that the RSO is controlled or endorsed by the LCMS or that the LCMS negligently granted or maintained the Recognized Service Organization status of RSO or failed to properly monitor the actions and undertakings of the RSO.

Section 4. RSO Operations and Corporate Documents. It is agreed that the RSO shall operate under its own governance and policies with freedom and self-determination as a ministry organization independent of the LCMS. The RSO will establish and evaluate its own objectives, activities, programs, organization, administration, and financial matters.

The RSO also represents, warrants, and agrees as follows:

- (a) Employer. The RSO is the employer of all RSO employees and the operator of all real or personal properties occupied or used by it;
- (b) 501(c)(3) Organization. The RSO is presently an organization qualifying under Section 501(c)(3) of the Internal Revenue Code and that it will maintain its exemption hereunder;

- (c) Financial Information. The RSO will provide the LCMS with operational or financial information involving the RSO reasonably requested by LCMS at any time;
- (d) Background Checks. The RSO will conduct screening and background checks, at its own expense, on its employees and volunteers who work with minors. The LCMS further encourages the RSO to adopt policies to protect children and to train all employees and volunteers to comply with such policies;
- (e) Compliance with Laws. The RSO will comply with all applicable laws, rules, and regulations, including, but not limited to receiving government funding for social services;
- (f) Insurance. The RSO will also maintain liability and other insurance customary for an entity engaged in the operations of the type of the RSO;
- (g) Trade Names, Trademarks, and Copyrighted Material. The RSO agrees that it will obtain the written consent of the LCMS Board for Communications Services (BCS) prior to any use of any trade name, trademark, or copyrighted material owned by the LCMS. The decision to permit usage by the RSO, and the terms and documentation of any such usage, are entirely in the discretion of the LCMS. To the extent the RSO obtains the written consent and approval from the BCS, the RSO agrees it will abide by all terms and conditions set forth by the BCS, including but not limited to: (i) the terms and conditions published on the LCMS Web site, as amended from time to time, regarding usage of the LCMS Logo Cross and other trademarks; and (ii) the terms, conditions, and guidelines set forth in the Graphic Standards manual, as amended by the LCMS.
- (h) Compliance. The RSO will provide evidence of compliance with this agreement reasonably requested by the LCMS at any time;
- (i) Dissolution. The articles of incorporation (or similar governing document) of the RSO will determine how, in the event of a dissolution of the RSO, its remaining assets will be distributed to another nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code; and
- (j) Governing Documents. The RSO shall provide proposed changes in its governing documents on the following topics to the LCMS prior to adoption, so that the LCMS may determine whether there is any impact on the status of the RSO: membership, nonprofit status, purpose, dissolution, board election, board membership criteria, or any other topic that could relate to the criteria for status hereunder.

Section 5. Effectiveness; Termination. This agreement shall be effective with the execution hereof by the parties hereto, and shall remain in full force and effect for a period of five (5) years after the date hereof unless terminated earlier as set forth in this section. Either party hereto may, with or without cause, terminate this agreement and all rights hereunder upon 60 days written notice to the other party hereto. Upon the effective date of the termination of status hereunder, the RSO shall cease representing itself as a Recognized Service Organization of the LCMS, including the use of any written, electronic, or other communications or written material, and shall upon request of the LCMS execute documents to evidence such termination and return any materials in possession of the RSO reflecting status as a Recognized Service Organization.

Section 6. Amendments; Laws. This agreement may be amended from time to time by the parties hereto in writing. This agreement will be governed by and construed in accordance with the laws of the State of Missouri.

Section 7. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver, or other paper required or permitted by this agreement to be made, given, or furnished to or filed with the following persons, if the same shall be delivered by prepaid overnight delivery service, or mailed by first class mail, postage prepaid, or transmitted by confirmed telecopy, at the addresses or telecopy numbers listed on the signature page hereto. All notices, given as aforesaid, shall be deemed given on the day on which the same are hand delivered or sent by telecopy, on the second day following the date on which the same have been mailed, or on the day following the day on which the same are sent by overnight delivery service. Any party may from

time to time designate, by notice given hereunder to the others or such parties, other address or telecopy number to which subsequent notices, certificates, or other communications shall be sent.

Section 8. Execution. The parties hereto have executed this agreement on the signature page attached hereto.

[Remainder of Page Intentionally Left Blank]

**SIGNATURE PAGE
AGREEMENT
THE LUTHERAN CHURCH—MISSOURI SYNOD
RECOGNIZED SERVICE ORGANIZATION**

Name of the LCMS board or agency: _____

Address: _____

Fax: _____

RSO: _____

Address: _____

Fax: _____

EXECUTION

LCMS board or agency:

Recognized Service Organization:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _ _____

Appendix 4 - LCMS Financial Activity Questionnaire

This questionnaire is required to be completed only by organizations that have their status application assigned to LCMS World Relief and Human Care for processing. LCMS World Relief and Human Care will notify the organization when it is required to submit the completed questionnaire.

1. Year your organization became exempt under Section 501(c)(3) of the Internal Revenue Code. Please provide a copy of the IRS tax exemption letter as Attachment A.

2. Does your organization produce an annual report?

☐ YES ☐ NO

3. If yes, check the items included in the annual report and enclose a copy as Attachment B:

☐ Description of the organization's purpose

☐ Summary of finances and revenues

☐ Review of programs and population served

☐ Description of accomplishments related to stated mission

☐ Summary of the total cost of each major program
(to the extent required in the IRS Form 990)

☐ A list of the organization's board of directors

4. Does your organization undergo an annual audit?

☐ YES ☐ NO

If no, please explain why you are unable to perform an annual audit?

5. Are your audits conducted by an independent certified public accountant using auditing standards generally accepted in the United States?

☐ YES ☐ NO

6. If yes to #5, did your independent certified public accountant give your most recent audit an unqualified opinion?

☐ YES ☐ NO

7. Has your organization established and/or maintained a policy to limit fund-raising costs related to receipts?

☐YES ☐NO

If yes, please provide a copy of the policy as Attachment C.

8. Does the full board of directors approve an operating budget prior to the beginning of each fiscal year?

☐YES ☐NO

If yes, on what date did they approve the budget for your current fiscal year?

9. Are your annual financial statements prepared in conformance with generally accepted accounting principles?

☐YES ☐NO

10. Are the program names, activities, and financial information listed in the audited financial statements, annual report, and IRS Form 990 consistent?

☐YES ☐NO

11. What percentage of the organization's annual expenses are for program activity? _____%

12. What percentage of the organization's annual expenses are for management/general and fundraising combined?
_____%

13. Are unrestricted net assets available for current use more than twice the current or next year's budgeted operating expenses?

☐YES ☐NO

14. How many days of operating cash does the organization have available beyond endowments and loans?
_____ days

15. What percentage of your total revenue is based on government grants or contracts?

_____%

16. Does your organization have persistent or increasing operating deficits?

☐YES ☐NO

If yes, please provide explanation for management of deficits:

17. Please provide your nine-digit, Dun & Bradstreet D-U-N-S Number, if available. _____

18. Please provided your credit rating score, as available:

Experian _____

Transunion _____

Equifax _____

19. Does the full board of directors receive written financial reports, at least quarterly, comparing actual to budgeted revenue and expenses?

☐ YES ☐ NO

If yes, how are the reports distributed to them and how often do they receive them?

20. If yes to #19, does a written narrative of the large variances (budget vs. actual) accompany the written financial reports?

☐ YES ☐ NO

21. Please list any conditions that may threaten your status (lawsuits, health inspection violations, liquidity, etc.).

22. Does your organization have internal control audits?

☐ YES ☐ NO

If no, please explain why these are not in place at this time.

23. For the current year and preceding two years, has the organization violated any applicable provisions of your state or the federal law relating to the organization's tax exempt status, registration with and reporting to governmental agencies, and the public or fundraising practices?

☐ YES ☐ NO

If yes, please provide explanation:

24. Please provide a Management Discussion & Analysis (MD&A) of Financial Condition and Results of Operation as Attachment D.

The MD&A should:

- Provide a narrative explanation of the organizations financial statements that enables the reader to see the organization through the eyes of management.”
- Enhance the overall financial disclosure provided.
- Provide context in which financial information should be understood.
- Provide information about the quality and potential variability of the organization's earnings and cash flow.

and include the following information:

- Most important financial information focused on by management.
- Key performance indicators essential to an understanding of the organizations performance.
- Important financial measures (and non-financial measures).
- Any other pertinent information regarding the management of the financial matters pertaining to the organization.

Please submit the Financial Activity Questionnaire and attachments to:

Barb Below, director of Social Ministry Organizations
LCMS World Relief and Human Care
1333 S. Kirkwood Road
St. Louis, MO 63122
FAX: 1-314-996-1120
E-MAIL: barb.below@lcms.org

Appendix 5 - A Road to ELCA Affiliation and LCMS Recognition

Affiliation/Recognition Process

When a social ministry organization (SMO) is pursuing affiliation and recognition at the same time, ELCA staff and LCMS staff will work together to avoid unnecessary duplication of effort by the SMO.

When the request is for both ELCA affiliation and LCMS recognition, a letter needs to be sent to the ELCA and the LCMS application packet needs to be submitted. In addition to submitting common documents, be advised that individual church body requirements will need to be met. Please refer to each church body application for individual church body requirements.

Initial Contact with ELCA Church in Society and LCMS World Relief and Human Care

You will receive notification from both the ELCA Church in Society and LCMS World Relief and Human Care regarding meeting criteria and/or necessary changes in governing documents that need to be made in order to be in compliance with criteria. It is recommended not to make changes in governing documents before application but rather wait to have an opportunity to discuss with church body staff needed changes in detail.

On-site Study

The on-site study may be conducted by a team composed of representatives of both national church bodies as well as representatives from appropriate ELCA synod(s), LCMS district(s), and/or one or more affiliated/recognized SMOs.

Church Body Staff Recommendation

The on-site church body staff team will prepare a report which includes recommendations regarding any modification required for the organization to be in compliance with the requirements for affiliation/recognition as well as a recommendation to grant or deny affiliated/recognized status.