

Mission Advancement (MADV)

Fund-Raising Policy and Procedure Manual

The Lutheran Church—Missouri Synod



May 2017

April 15, 2019

This policy and procedures manual is a work in progress.

We are making it public, even with its current flaws, for the sake of demonstrating the commitment of the LCMS to public accountability and transparency. Mission Advancement welcomes questions, concerns and recommendation for improving the manual. Send feedback by email to mission.advancement@lcms.org, or call the Donor Care Line at **888-930-4438**. Concerns about compliance can be directed to the Synod's Chief Administrative Officer.

The need for this type of comprehensive document arose in the wake of the corporate-wide restructuring process, approved by Synod in Convention (Houston, 2010), which created Mission Advancement as a stand-alone fund-raising and contributor care unit reporting to the Synod Chief Mission Officer. Enhancements were required when select elements of the fundraising operation were moved out of the LCMS Foundation into Mission Advancement in 2015-16.

The document seeks to satisfy, at least in part, Policy 4.12ff of the [Board of Directors Policy Manual](#).

BOD Policy	Issue	ref. Policy Manual Number
4.12.1.1	Gift Acceptance	2-A06-14
4.12.1.2	Fund-raising Authority	2-A01-14
4.12.1.3	Confidentiality of Donor Information	2-A05-14
		2-A29-14
		2-A31-14
4.12.1.3	Honoring donor intent for restricted gifts	<i>see Gift Acceptance Policy</i>
		2-A09-14
		2-B14-14
4.12.1.5	Compliance with...ethical principles and practices	<i>part of Internal staff policies</i>
4.12.1.6	Internal performance reporting	2-A14-14
4.12.1.7	Conflict resolution	2-A02-14

This public policies manual goes much further than the essential policies specified by the Board of Directors. A partner document contains certain policies only affecting Mission Advancement staff, such as compliance with our *Code of Ethics* and the *Donor Bill of Rights*.

Again, feedback is welcomed.



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Preface

The Lutheran Church—Missouri Synod

1333 S. Kirkwood Road

St. Louis, Missouri 63122

The LCMS is a Missouri not-for-profit corporation established in 1847. The organization's registered Tax Identification Number is **43-0658188**.

Our Mission

In grateful response to God's grace and empowered by the Holy Spirit through Word and Sacraments, the mission of The Lutheran Church—Missouri Synod is vigorously to make known the love of Christ by word and deed within our churches, communities, and the world.

About Mission Advancement (MADV)

LCMS Mission Advancement plans, executes, and coordinates the Synod's fund-raising activities in order to maximize charitable gifts in support of the Synod's mission and ministry.

Our Promise

Mission Advancement will professionally encourage and assist the people of The Lutheran Church—Missouri Synod to vigorously make known the love of Christ at home and abroad through sacrificial, charitable gifts by offering appropriate, prioritized (strategic) charitable opportunities. Mission Advancement will deliver unquestionable transparency and accountability to donors for the gifts they have offered up for the Lord's will, and will work to maximize the amount of every dollar given passed on to the field.

Our Values

In addition to holding to the stated values of The Lutheran Church—Missouri Synod (Fidelity as Lutherans, Quality, Credibility, Sustainability, and Stability), Mission Advancement values:

- Healthy, mutually-beneficial relationships (symmetry)
- Truthfulness (Honesty)
- Mutual respect and professional excellence (Technical, Ethical)
- Dedication
- Faithfulness
- Accuracy
- Accountability
- Selflessness/Self-Sacrifice
- Due diligence
- Integrity
- Continuous improvement

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Introduction

Introduction

This “Mission Advancement Fund-Raising Policy and Procedure Manual” is created and maintained to insure good order in and stewardship by the Mission Advancement unit, as well as other LCMS units and collaborative partners. It is intended to provide clarity and continuity for all persons involved in fund-raising and constituent relationship management of the Synod, to honor the donative intent of the Synod’s stakeholder constituents, and preserve the interests and strategic objectives of The Lutheran Church—Missouri Synod - and those Lutherans around the world who look to it for support and leadership.

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Part A

Fund-Raising Policies And Procedures

Fund-Raising

Policy Name: **Fund-Raising Administration and Authority**
Policy Number: **2-A01-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: April 11, 2017

Policy Summary: LCMS Mission Advancement is the unit delegated by the Board of Directors with the authority to direct (plan, administer, guide, support and review) the fund-raising and donor-relations strategy for LCMS, Inc. and designated Synod-affiliated campaigns/initiatives.

Policy:

- A. All fund-raising on behalf of the Synod, specific ministry areas of the Synod or organizations and projects specified by the President of the Synod or its Board of Directors will be administered under the authority of the Chief Mission Officer through Mission Advancement.
- B. Delegation of fund-raising to other units and Synod personnel may be granted at the discretion of the Chief Mission Officer working through Mission Advancement.
- C. Synod employees outside of Mission Advancement are prohibited from engaging in fund-raising activities on behalf of the Synod and its ministries without the knowledge and consent of the Chief Mission Officer.
- D. Gifts normally shall be understood as being gifts to The Lutheran Church—Missouri Synod, a beneficiary not-for-profit organization registered with the United States Internal Revenue Service.
- E. Gifts may also be given to The Lutheran Church—Missouri Synod for the benefit of the Synod’s related ministries, such as the Office of National Mission or the Office of International Mission.
- F. This authority is granted under:
 - 1. Board of Directors’ policy 4.12 (adopted February 18, 2017), Board of Directors’ Executive Limitation on Fund Raising,
 - 2. Board of Directors’ policy 5.2.6 (adopted February 18, 2017), Income Management – Fund Raising,

3. LCMS Handbook 2016, bylaw 3.3.1.3 (g), and

4. LCMS Handbook 2016, bylaw 3.4.3.6.

G. Exceptions – The following LCMS-related ministries are exempt from this policy:

- | | |
|-------------------------------------|--|
| 1. LCMS Foundation | Separate Incorporated Entity |
| 2. KFUEO Radio | Office of the LCMS President |
| 3. Lutheran Housing Corporation | Separate Incorporated Entity |
| 4. Concordia University System | Separate Incorporated Entity |
| 5. Concordia Publishing House | Separate Incorporated Entity |
| 6. Lutheran Hour Ministries | Separate Incorporated Entity |
| 7. Recognized Service Organizations | Oversight by Independent Boards |
| 8. Concordia Theological Seminary | Oversight by Elected Independent Board |
| 9. Concordia Seminary | Oversight by Elected Independent Board |
| 10. The Concordia Universities | Oversight by Elected Independent Boards |
| 11. LCMS Districts | Oversight by Elected Independent Boards |
| 12. LCMS Congregations | Autonomous, Voluntary Association with the Synod |
| 13. Lutheran Church Extension Fund | Oversight by Independent Board |
| 14. LWML | Oversight by Independent Board |

Policy Name: **Conflict with Board of Directors Policies**
Policy Number: **2-A02-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 11, 2016

Policy Summary: Mission Advancement policies will not be in conflict with Board of Directors' policies.

Policy:

- A. Policies issued by the LCMS Board of Directors take precedence over policies stated in this manual.
- B. This manual shall be modified to conform to Board of Directors' policies as soon as possible upon identification of a policy conflict.

Policy Name: **Authorization of a New or Revised Policy or Procedure**
Policy Number: **2-A03-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: New or revised fund-raising policies must be authorized.

Policy:

- A.** The writing of a new or the revision of an existing fund-raising policy may be authorized by:
- 1.** The Executive Director of Mission Advancement, in consultation with the Chief Mission Officer, or
 - 2.** In cases where the Chief Mission Officer is unavailable, with the President of Synod.
- B.** The Chief Mission Officer or the President of the Synod may direct and authorize the writing of a new policy or the revision of an existing policy by instructing the Executive Director of Mission Advancement to take such action.

Policy Name: **Authorization of a Variance from Policy or Procedure**
Policy Number: **2-A04-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: A variance from fund-raising policies must be authorized.

Policy:

A. Any variance from any policy included in this manual must be authorized by:

1. The Executive Director of Mission Advancement, in consultation with the Chief Mission Officer, or
2. In cases where the Chief Mission Officer is unavailable, with the President of the Synod.

B. In cases where the Executive Director of Mission Advancement is unavailable, authorization must be sought directly from:

1. The Chief Mission Officer, or
2. In his absence, from the President of the Synod.

Policy Name: **Donor List Management**
Policy Number: **2-A05-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Donor information will be managed by Mission Advancement.

Policy:

- A. Donor, prospect records, and related information, will be managed by Mission Advancement.
- B. Records, lists, and related information, regardless of how or where stored, are the property of the LCMS and its Board of Directors.
- C. Exceptions – The LCMS Foundation will access and manage donor and prospect records in Synod’s CRM system through Mission Advancement related to work on behalf of The Lutheran Church—Missouri Synod.

Policy Name: **Gift Acceptance**
Policy Number: **2-A06-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gifts will only be accepted with specific considerations.

Policy:

- A.** The Lutheran Church—Missouri Synod reserves the right to accept or decline a donor’s charitable contribution.
1. Through Mission Advancement, or
 2. The LCMS Foundation. The LCMS Foundation will accept or decline direct and deferred gifts in accordance with its internal policies.
- B.** In order to accept a donation, a gift must advance the mission of the LCMS and its ministries, and support prioritized expenditures approved by the Board of Directors.
1. Gifts that encumber the Synod to secure additional donations beyond a reasonable amount and within a reasonable timeframe to complete projects or activities may be declined.
 2. The definition of a reasonable amount of time is 24 to 60 months.
 3. The definition of a reasonable amount is any amount the Synod believes is achievable within its existing constraints at the time the gift is offered.
- C.** Criteria which must be satisfied in order to accept a donation as a deductible charitable gift include:
1. The donation must meet IRS criteria for deductibility according to established law, and
 2. The donation must advance the mission and strategic objectives of the LCMS, and
 3. The donation must be administered by the Synod (donor relinquishes control), and

4. The donation must fund:
 - a. Planned expenditures approved by the Board of Directors through the annual operating budget, or
 - b. Expenditures approved as part of capital or special projects outside the annual operating budget which have been authorized by the Board of Directors, as indicated by an open designation in BBEC and an open fund in Accounting, or
 5. The gift serves to complete a project or expense in situations where the Synod has been encumbered by donations accepted prior to the approval of this policy.
- D. The Synod may, at its discretion, accept matching or challenge gift/grant which encumbers the Synod to raise additional funds:
1. Provided the matching or challenge gift/grant advances an acceptable strategic objective of the Synod, and
 2. The match/challenge can be satisfied within a reasonable amount of time.
- E. Some donations are 'pass-through' dollars from one LCMS entity to another, such as a partnership.
1. If the LCMS agrees to facilitate a pass-through donation, it shall not be treated as a charitable donation to the LCMS, and
 2. It shall be recorded the same as a charitable donation for reporting purposes.

Policy Name: **Accepting Donations of Cash and Checks Not Made Payable to The Lutheran Church—Missouri Synod**
Policy Number: **2-A07-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Generally, the LCMS will only accept donations payable to the LCMS.

Policy:

- A.** It is the standard operating procedure of the LCMS to encourage donors to make checks payable to “The Lutheran Church—Missouri Synod” rather than departments, offices or projects.
- B.** The LCMS will accept checks made payable to legacy entities such as LCMS World Mission and LCMS World Relief and Human Care, and Lutheran Malaria Initiative.
- C.** Acceptable legacy names are attached to specific lockbox numbers.
 - 1.** Checks sent to a lockbox and rejected by the bank are to be manually processed by Mission Advancement.
 - 2.** Mission Advancement will contact donors who will need to re-issue a donation made payable to the appropriate name.
- D.** Exceptions –
 - 1.** Donors to corporate entities other than The Lutheran Church—Missouri Synod should consult with that entity to determine the appropriate payable-to name.
 - 2.** The following list is not exclusive but illustrates corporate entities that do not fall under this policy.
 - a.** Concordia University System (and its related institutions)
 - b.** Concordia Seminary, St. Louis

- c. Concordia Theological Seminary, Ft. Wayne
- d. Concordia Publishing House
- e. Lutheran Church Extension Fund
- f. LCMS Foundation
- g. Lutheran Housing Support Corporation
- h. Lutheran Hour Ministries
- i. Any Recognized Service Organization, such as Lutheran Social Services

Policy Name: **Donor Gift Crediting**
Policy Number: **2-A08-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gifts must be acceptable to be received.

Policy:

- A. Each restricted gift will be reviewed by Gift and Database Operations as it is received.
- B. In cases where a potential conflict is identified, other LCMS staff may be consulted to determine if the gift can be accepted.
- C. Any gift with a restriction that cannot be fulfilled will be followed-up with the donor.
- D. Depending upon a conversation with the donor:
 - 1. The gift will be declined and returned to the donor, or
 - 2. A new restriction acceptable to both parties will be negotiated.
- E. Exceptions – Restricted gifts received and processed by Mission Advancement for other corporate entities, including programs or projects under the authority of those entities (such as CUS and KFYO Radio) do not fall under this policy.

Policy Name: **Gift Support Documentation**
Policy Number: **2-A09-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Some gifts must have written documentation.

Policy:

- A. All gifts of \$5,000 or more must have written documentation as required by auditors.
- B. Documentation may take the form of:
 - 1. Written notice from the donor which accompanies the gift and explains donor intent for how the gift is to be used.
 - 2. A clear note on the memo line of a check indicating the use, a restricted account number or account name.
 - 3. A response device used in an appeal clearly marked with the donor's name, address and record locator number.
 - 4. A completed gift intention, commitment or pledge form dated and signed by the donor.
 - 5. Documentation drawn up by Mission Advancement staff for donors to sign.
 - 6. A copy of a life insurance policy beneficiary statement.
 - 7. A copy of the relevant section of a will, irrevocable or revocable trust documents, or other testamentary gift documents signed by the donor.
 - 8. A response email from the donor.
- C. In cases where there is confusion about donor intent, Mission Advancement will contact the donor for clarification and secure necessary documentation required to record and credit the gift. An interaction should be added to BBEC documenting the contact.

D. Gifts of \$5,000 or more may be processed before written documentation is obtained unless the gift is subject to a donor-imposed restriction.

1. In such a case, the documentation must be in place before the gift is accepted.
2. Where this is not possible, such as in the case of a verbally-communicated restriction, written documentation must be obtained from the donor within a reasonable amount of time following the acceptance of a gift. A reasonable time will generally be two weeks.

E. Gifts of \$4,999 or less –

1. When received without accompanying documentation will be treated as an unrestricted gift to the LCMS.
2. Unless post-gift documentation is received from the donor directing a restricted designation.

Policy Name: **Receipting of Cash Gifts**
Policy Number: **2-A10-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Cash gifts have specific restrictions.

Policy:

- A. All cash gifts including checks and credit card transactions must be receipted and acknowledged in the manner required by Section 170 of the Internal Revenue Code.
- B. Gifts receipts are to be mailed within 72 hours of the gift being deposited unless gift volume or clarity about donor intent is a mitigating factor of processing and receipting time.
- C. The practice of soliciting hard currency, such as bills and coins, is prohibited, and receiving unsolicited hard currency is discouraged.
- D. Exceptions – Collectable coins are to be treated as an in-kind donation and handled through the LCMS Foundation.

Exhibit: Section 170 of the Internal Revenue Service Code

Policy Name: **Gift Acknowledgements**
Policy Number: **2-A11-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gifts should be acknowledged in a timely manner.

Policy:

- A. All gifts will be acknowledged in a timely and appropriate manner as defined by the Executive Director, Mission Advancement or the Chief Mission Officer of the Synod.
- B. Definitions –
 - 1. Timely – Except in periods of exceptionally high gift volume, “timely” will be defined as 72 hours or less from time of deposit, but should not exceed ten business days.
 - 2. Appropriate – “Appropriate” will be defined as compliance with the donor stewardship schema developed by Mission Advancement, with a minimum acknowledgment constituting the IRS-compliant gift receipt.
- C. Exceptions – Mission Advancement staff may acknowledge gifts in a more personal manner than required by the schema, which defines the minimum expectation for customization.

Policy Name: **Matching versus Challenge Grants**
Policy Number: **2-A12-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Matching and Challenge grants are each unique and have different guidelines.

Policy:

A. Matching and Challenge grants are different and have different guidelines.

B. Definitions -

- 1.** Matching grants – “Matching grants” will be defined as a temporarily restricted donation which the donor (individual, congregation, organization, foundation, or corporation) offers to the Synod with the restriction it be used to stimulate giving by others.
 - a.** Matching grants shall be applied and credited without respect toward achieving a specific goal until exhausted.
 - b.** Matching grants shall be accepted provided sufficient documentation has been secured from the donor stating the restriction as a match and the conditions under which a gift will be matched, including the ratio of gift to matching funds (e.g. 1:1, 1:2, etc.).
- 2.** Challenge grants – “Challenge grants” will be defined as a pledge to supply a specific gift or grant provided the LCMS can secure and document a specific amount in gifts from other donors, often within a specific timeframe, or the challenge grant offer is null and void.

Policy Name: **Matching Gift Account**
Policy Number: **2-A13-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Matching gift restrictions must be recorded appropriately.

Policy:

- A. All matching gifts received from corporations or corporately-based foundations, such as an employee or member gift matching program, will be recorded in a manner that follows the eligible donor's (e.g. the employee or member) original gift restriction.
- B. Exceptions – A restriction specified by a corporation or corporately-based foundation for their matching funds shall take precedence over donor restrictions.

Policy Name: **Reporting Donor Gifts**
Policy Number: **2-A14-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Mission Advancement will produce reports of donor gift activity.

Policy:

- A.** Mission Advancement will provide regular and timely reports of donor gift activity for the programmatic work carried out by The Lutheran Church—Missouri Synod.
- 1.** The reports will be provided to:
 - a.** Chief Mission Officer,
 - b.** The Office of the President, and
 - c.** Synod’s Board of Directors.
 - 2.** Summary reports of gift activity will be publicly disclosed at least annually.
- B.** Mission Advancement will provide special detailed reports of donor gift activity for areas of specific concern when requested by:
- 1.** The Chief Mission Officer,
 - 2.** The Office of the President, or
 - 3.** Synod’s Board of Directors.

Policy Name: **Publicly Recognizing Donor Gifts**
Policy Number: **2-A15-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Public recognition of a donor must be approved.

Policy: Methods of appropriate public donor recognition, with permission from the donor, must be approved by the Executive Director of Mission Advancement prior to implementation.

Policy Name: **Criteria for Accepting a Pledge**
Policy Number: **2-A16-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Pledges must meet certain guidelines.

Policy:

- A. A pledge to provide a future gift(s) should normally be in the form of a written commitment signed by the donor(s) for which a pledge reminder may be issued.
- B. Pledged funds must meet the criteria for acceptability established under Policy 2-A06-14, Gift Acceptance.
- C. Exceptions – An exception to this policy may be made for pledges received by the Synod’s telephone solicitation program or giving clubs, which are verbal commitments acknowledged in writing to the donor.

Policy Name: **Gifts Requiring an Appraisal**
Policy Number: **2-A17-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: A qualified appraisal is required on some gifts.

Policy:

- A.** A qualified appraisal is required on all non-cash gifts (except marketable securities) under the following circumstances:
- 1.** The donor wants a deduction, or
 - 2.** The gift is valued at \$5,000 or more, including closely-held stocks.
- B.** Exceptions – The LCMS may at times require an appraisal on unusual non-cash gifts of less than \$5,000 due to concerns of risk management, as determined by the Chief Financial Officer and the Chief Administrative Officer of the Synod.

Policy Name: **Responsibility for Securing a Qualified Appraisal**
Policy Number: **2-A18-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Generally, the donor is responsible for obtaining an appraisal.

Policy:

- A. The donor is responsible for obtaining a qualified appraisal in accordance with instruction to IRS Form 8283 before a gift may be accepted.
- B. An appraisal will be considered qualified if it is carried out in a manner consistent with IRS appraisal guidelines set forth in Form 8283 and the Instructions for Form 8283.
- C. In the case of all non-cash gifts, it is the donor's responsibility to pay for an appraisal.
- D. Exceptions – The LCMS may offer to pay for an appraisal if approved by:
 - 1. The Executive Director of Mission Advancement,
 - 2. The Chief Mission Officer, or
 - 3. The Chief Financial Officer of the Synod.

Exhibit: IRS Form 8283
Instructions for IRS Form 8283

Policy Name: **Criteria for Accepting Non-Cash (In-Kind) Gifts**
Policy Number: **2-A19-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Non-cash gifts have specific guidelines.

Policy: To be accepted as a charitable donation, a non-cash gift must fall under one of the following categories:

- A. The gift, if it is to be used in its existing form and not to be sold or traded, must support the mission and plan of The Lutheran Church—Missouri Synod as defined by the budget approved by the Synod’s Board of Directors.
- B. The gift must be marketable if it is to be sold or traded in a manner resulting in an acceptable net financial benefit to the Synod, in support of the mission and plan as defined by the budget approved by the Synod’s Board of Directors.
- C. Marketability and acceptable net benefit will be determined by:
 - 1. The Synod’s Chief Financial Officer
 - 2. In consultation with:
 - a. The Chief Mission Officer,
 - b. The Executive Director of Mission Advancement,
 - c. The Synod’s chief accountant, or
 - d. The President of the LCMS Foundation.

Policy Name: **Criteria for Accepting Gifts of Life Insurance**
Policy Number: **2-A20-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gifts of life insurance are governed by specific policies and procedures.

Policy: Gifts of life insurance policies will be governed by policies and procedures found in this manual, and by policies established by the LCMS Foundation acting as the Synod's agent.

Exhibit: LCMS Foundation Life Insurance Policies

Policy Name: **Criteria for Accepting Gifts of Real Estate or Real Property**
Policy Number: **2-A21-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gifts of real estate and tangible personal property are governed by specific policies and procedures.

Policy:

- A. All gifts of real estate or tangible personal property will be governed by policies and procedures found in this manual.
- B. In addition, it will be the prerogative of the Synod, through its Chief Administrative Officer, to require a risk assessment on gifts of real estate prior to accepting a donation. This could include but not limited to:
 - 1. The completion of environmental studies, or
 - 2. Contamination assessments.
- C. The LCMS will utilize the LCMS Foundation to accept and dispose of gifts of real estate and real property.

Policy Name: **Criteria for Accepting Non-Cash Gifts of Securities**
Policy Number: **2-A22-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gifts of marketable securities, including closely-held stocks are governed by specific policies and procedures.

Policy:

- A. Gifts of marketable securities, including closely-held stocks, will be governed by policies and procedures found in this manual.
- B. Acceptance of gifts of securities rests with the Synod, with overall policies established by:
 - 1. Synod's Board of Directors, in consultation with:
 - 2. The Chief Financial Officer, or
 - 3. The LCMS Foundation.

Policy Name: **Accepting Gifts from Lottery Winnings and Gambling Winnings**
Policy Number: **2-A23-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: The LCMS will accept gifts from lottery or gambling winnings.

Policy:

- A. The LCMS does not investigate the source of donor wealth.
- B. Therefore, the Synod may accept a gift that is the result of winning a local, state or national lottery, as well as other gambling operations.
- C. Acceptance of cash is permitted.
- D. The transfer of a winning ticket requires authorization by:
 - 1. The Chief Financial Officer; and,
 - 2. The Chief Administrative Officer.

Policy Name: **Gift Annuity Agreements**
Policy Number: **2-A24-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Gift annuity agreements will be referred to the LCMS Foundation.

Policy:

- A. Donors who wish to establish a Charitable Gift Annuity for the benefit of LCMS ministries will be referred to the LCMS Foundation.
- B. The acceptance of Charitable Gift Annuity Agreements will be governed by:
 - 1. Policies outlined in the LCMS Foundation SOPP; and,
 - 2. Regulations of the American Council on Gift Annuities (<http://www.acga-web.org/>).
- C. Exceptions – Mission Advancement will offer support to donors who wish to establish a charitable gift annuity benefitting the Synod through another organization.

Policy Name: **Authorized Signer of Deferred Gift Instruments**
Policy Number: **2-A25-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Mission Advancement staff may not sign deferred gift instruments.

Policy: Mission Advancement personnel, including the Executive Director of Mission Advancement, are not authorized to sign deferred gift instruments.

Policy Name: **Accepting Permanently Restricted Gifts (Endowment)**
Policy Number: **2-A26-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Proposals for permanently restricted gifts must be reviewed.

Policy:

A. All proposals for permanently restricted gifts will be reviewed for appropriateness by:

1. The Executive Director for Mission Advancement,
2. The Chief Mission Officer,
3. The Chief Financial Officer, or
4. The Chief Administrative Officer.

B. Permanently restricted gifts must support the enduring, sustainable aspects of the LCMS as defined by the Synod's Board of Directors.

C. Proposals consistent with the long-range plan and strategy for the LCMS will be forwarded to the Synod's Administrative Team for a final endorsement prior to being submitted for approval and acceptance by Synod's Board of Directors.

Policy Name: **Investment of Permanently Restricted Gifts/Assets (Endowment)**
Policy Number: **2-A27-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Permanently restricted net assets will generally be invested through the LCMS Foundation.

Policy:

- A. The LCMS will, as a standard practice, invest permanently restricted net assets with and through the LCMS Foundation.
- B. Appropriate policies governing asset allocation, target rates of return, spending and risk management will be determined by:
 - 1. The Synod's Board of Directors in collaboration with;
 - 2. The LCMS Foundation Board of Trustees, and in consultation with;
 - 3. The Synod's Chief Financial Officer.
- C. Exceptions –
 - 1. In rare cases where an acceptable gift of permanently restricted net assets is jeopardized by this policy, the Synod may work with the donor to select a mutually-acceptable investment agency (e.g. Lutheran Legacy Foundation), acting as trustee of the Synod's assets.
 - 2. The trustee must not have any conflicts of interest in relationship with the donor.

Policy Name: **Criteria for Establishing a Permanently Restricted Fund (Endowment)**
Policy Number: **2-A28-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Permanently restricted funds have specific criteria to be established.

Policy:

- A. The minimum direct gift required to establish or build a permanently restricted fund (endowment) shall be determined by:
 - 1. The Chief Mission Officer in collaboration with
 - 2. The Chief Financial Officer.
 - 3. The LCMS Foundation and Mission Advancement may be consulted when setting the threshold level of an endowment.
- B. The minimum direct gift required will be \$50,000, which may be given in installments over a period of up to five (5) years.
- C. Direct gifts of \$1 million or more may be fulfilled over a period of up to ten years.
- D. The minimum deferred gift required to establish a permanently restricted fund (endowment) will be discounted to a net present value of at least \$100,000.
- E. Permanently restricted funds must support those aspects of Synod's work that are sustainable and enduring as defined by the Synod's Board of Directors. Examples include:
 - 1. Endowed personnel positions (e.g. Regional Directors)
 - 2. Endowed programs (e.g. Youth ministry)
 - 3. Endowment boards and commissions (e.g. work of the Board for National Mission; CTCR)

4. Offices (Office of the President)

Policy Name: **Donor/Gift Confidentiality and the Release of Information**
Policy Number: **2-A29-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Donor records and information must be considered confidential.

Policy:

- A. All donor records and gift information must be considered confidential.
- B. Donor and prospect information will not be released to anyone unless they are engaged in Synod fund-raising activities, except with
 - 1. The permission of the donor(s),
 - 2. A family members of a deceased donor (if possible), or
 - 3. Except as required by law.
- C. Synod and Foundation staff may have access to any information that will assist them in the performance of their assigned duties.
 - 1. A staff member working with a volunteer solicitor will determine what information the volunteer solicitor needs to know in order to maximize the gift being solicited.
 - 2. Volunteers serving in an advisory role and who are not soliciting will sign a confidentiality agreement before being given access.
 - 3. Confidential information about donors and gifts will be shared internally on a need-to-know basis as determined by the Executive Director of Mission Advancement.
- D. Mission Advancement will keep all information about donors and gifts confidential unless written permission is received from the donor authorizing public dissemination of relevant information.

- E. Failure to comply with this policy may have significant implications for the Synod's fund-raising program or the donor(s) for whom information was not kept confidential.

- F. In cases where the release or non-release of information is challenged, the Executive Director of Mission Advancement will consult with:
 - 1. The Chief Mission Officer,
 - 2. The Chief Financial Officer,
 - 3. The Chief Administrative Officer, or
 - 4. The President of the LCMS Foundation (as needed).

- G. The final decision on any challenge shall rest with the Board of Directors of the Synod, communicating through the Chief Administrative Officer.

Policy Name: **Revocable and Irrevocable Deferred Gift Instruments**
Policy Number: **2-A30-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Revocable and irrevocable deferred gift instruments are acceptable.

Policy:

- A. The LCMS will accept gifts through the LCMS Foundation from revocable deferred gift arrangements such as:
1. Wills
 2. Living trusts
 3. Beneficiary assignments of:
 - a. Donor-owned insurance policies
 - b. Certificates of Deposits or savings accounts
 - c. Qualified retirement plans, such as IRAs, 401(k)s, 403(b)s, etc.
- B. The LCMS will accept gifts through the LCMS Foundation from irrevocable deferred gift arrangements such as:
1. Charitable gift annuities
 2. Charitable remainder annuity trusts
 3. Charitable remainder unitrusts
 4. Charitable lead trusts
 5. Life estate agreements

6. Synod- or LCMS Foundation-owned life insurance policies whether or not fully funded
7. Deferred contracts held with other firms, institutions or foundations of which the LCMS is named as a primary beneficiary.

Policy Name: **Administration of Information Systems**
Policy Number: **2-A31-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Information systems for donors and gifts in Mission Advancement are under the authority of the Chief Administrative Officer.

Policy:

- A. The Chief Administrative Officer of the Synod is in charge of the Synod's information systems, including the system for maintaining accurate records of donors and gifts.
- B. Mission Advancement will comply with all information system policies and procedures established by the CAO and his or her delegated authorities.

Policy Name: **Conflict Resolution**
Policy Number: **2-A32-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: August 12, 2016

Policy Summary: Final conflict resolution remains with the Chief Mission Officer.

Policy:

- A. All conflicts not addressed by this policy manual will be brought to the attention of,
- B. the Executive Director of Mission Advancement who will, in consultation with,
- C. the Chief Mission Officer;
 - 1. Implement an appropriate resolution including, but not limited to,
 - 2. Amending or expanding this policy manual.
- D. When necessary, the parties in conflict will engage in a process seeking a resolution acceptable to the Synod.
- E. Any decision of the Chief Mission Officer on an issue in conflict is final and binding.

Policy Name: **Refunding a Gift to a Donor**
Policy Number: **2-A33-17**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: March 16, 2017

Policy Summary: Refunding a gift to a donor will only be made according to certain criteria.

Policy:

A. Guiding Principles –

1. Generally, the LCMS will not refund donations once a receipt has been issued
2. Donations will never be refunded after the funds have been expended

B. Conditions

1. The LCMS retains the right to refund or decline to refund donations
2. Donations of cash that were received by –
 - a. Check
 - b. Credit Card
 - c. Bank Transfer
 - d. Other means
3. Any refund to a donor legally required to file a tax return must be accompanied by a letter advising the donor –
 - a. To consider possible tax implications of receiving a refund, including the potential need to file an amended return if a deduction was previously claimed, and/or
 - b. To consider contacting a tax advisor

C. Refunds cannot be made to the donor for –

1. Donations coming out of a will or trust (bequest gifts) without a court order

- 2.** Any cash gift the donor directed out of a donor advised fund
 - a.** Such a gift can only be refunded to the –
 - b.** Trust or entity managing the donor advised fund
 - c.** To be returned to the donor advised fund
- 3.** Gifts of securities or the proceeds of the sale of securities (whether at a gain or loss when sold) such as –
 - a.** Stocks
 - b.** Bonds
 - c.** Mutual funds
- 4.** Donations of tangible property, such as –
 - a.** Land
 - b.** Materials
 - c.** Artwork
 - d.** Other tangible property

Policy Name: **Anonymous Gifts**
Policy Number: **2-A34-17**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Fund-Raising
Issue Date: May 16, 2017

Policy Summary: Anonymous gifts and donors making them are to be considered sensitive.

Policy:

A. Definitions

1. Anonymous Gift – When an identifiable donor has expressed the desire that their gift be treated as anonymous, the gift will be
 - a. Revealed publicly by gift amount only and/or under the name “Anonymous”, and
 - b. The name and personal information of the donor will be maintained in a manner so that the information will not be identified publically
2. Anonymous Donor – A donor who by the nature of the gift is truly unknown to the LCMS
3. Confidential – Nonpublic and sensitive donor information held by Synod or LCMS Foundation staff that will not be identified or shared publically

B. Confidential donor records and information may only be released in accordance with –

1. The Privacy Policy available on LCMS.org (<https://www.lcms.org/page.aspx?pid=193>), and
2. The Donor/Gift Confidentiality and the Release of Information Fund-Raising Policy, 2-A29-14

C. Practice

1. Any information shared by email with Synod or Foundation staff must be sent to –
 - a. An LCMS.org address
 - b. An LCMSintl.org address, or

Part B

Fund-Raising Policies And Procedures

Procedural

Policy Name: **Gift Acknowledgements Procedures**
Policy Number: **2-B01-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Gifts will be acknowledged with receipts.

Policy:

- A. Charitable gifts to The Lutheran Church—Missouri Synod which meet the requirements set forth for tax-deductibility by the Internal Revenue Service are acknowledged as follows:
1. Donor receives an IRS-compliant gift receipt electronically signed by the Executive Director of Mission Advancement, along with any relevant stewardship and accountability materials (personal letter of thanks, hand-written note, report, etc.).
 2. Donor receives a year-end summary gift statement on or about February 15th of the succeeding year, summarizing all donations made to the LCMS, including unrestricted and restricted gifts. The year-end statement will meet IRS requirements for documenting charitable donations.
 3. Donor receives additional personal acknowledgements (President, program directors, unit executives, etc.).
- B. Exceptions – Donors may request that they receive only the year-end summary of gifts and not individual tax-deductible receipts.

Policy Name: **Gifts Needing an Appraisal**
Policy Number: **2-B02-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Some gifts will require an appraisal.

Policy:

A. Gifts requiring an appraisal include:

1. Jewelry & precious stones
2. Precious metals
3. Art
4. Real Estate
5. Collectables
6. Automobiles
7. Antique automobiles
8. Aircraft
9. Livestock
10. Ships and personal watercraft
11. Furniture, including antique furniture
12. Household goods
13. Used computer and information systems hardware

B. Exceptions –

- 1.** Donors making in-kind gifts to the LCMS by the LCMS Foundation will be subject to Foundation policies regarding appraisals.
- 2.** The LCMS typically will decline gifts of used vehicles. Exceptions may be granted on a case-by-case basis, depending upon the vehicle being offered and the Synod's needs.
- 3.** Gifts of grain or other agricultural goods require an invoice from the receiving elevator or stockyard stating the item(s) received, the quantity received, and the market value of the goods on the date the donor relinquished control.

Policy Name: **Fully Paid Life Insurance as a Gift**
Policy Number: **2-B03-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: May 18, 2017

Policy Summary: Guidelines for a gift of a fully paid insurance policy.

Policy:

- A.** When a donor makes the LCMS the irrevocable owner of a paid-up life insurance policy:
- 1.** The charitable deduction will be the lesser of what has been paid in premiums or what it would cost the donor to buy the policy outright as of the date of the gift.
 - 2.** The amount of the face value of the policy at the time the policy was or is issued will be entered into the donor's record as an irrevocable deferred arrangement.
 - 3.** The gift value of the policy will be entered into the donor's gift history and be receipted at the time the LCMS becomes the owner of the policy.
 - 4.** Donee acknowledgment requirements of IRC Section 170(f)(8) are applicable. Compliance with requirements stipulated in IRS Form 8283 must also be met.
- B.** Exceptions – When the LCMS Foundation is made the owner and a non-Synod entity is named the beneficiary, Foundation policies will apply.

Policy Name: **Insurance Premium Payments**
Policy Number: **2-B04-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Guidelines for payments on a life insurance policy owned by the LCMS.

Policy:

A. When a donor is making payments on a life insurance policy owned by the LCMS:

1. The donor will be encouraged to make payments directly to the issuing insurance company and have that company notify the Synod, by Mission Advancement and the LCMS Foundation, of the amount of the premium payment received.
2. Upon notice from the issuing company that a payment has been made, the payment amount and date of payment will be entered into the donor's gift history.
3. Subject to Section 170(f)(8), a written acknowledgment letter will be sent to the donor by January 15 of the year following the year in which the payment was made to the issuing company.
4. The donor may make a charitable cash gift to the LCMS with the stipulation that it be used to pay the premium due on the policy (this is discouraged).
5. In the case of a cash gift sent directly to the LCMS for the purpose of underwriting a premium payment, normal gift processing policies and procedures will be followed.

B. Exceptions – When the LCMS Foundation is made the owner and a non-Synod entity is named the beneficiary, Foundation policies will apply.

Policy Name: **Procedure for Accepting Gifts of Real Estate**
Policy Number: **2-B05-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: May 18, 2017

Policy Summary: Gifts of real estate must be considered by the LCMS Foundation to help determine acceptability.

Policy:

- A.** The Lutheran Church—Missouri Synod and Mission Advancement staff will utilize the LCMS Foundation, under Foundation’s policies, for accepting and receiving gifts of real estate on behalf of the Synod and its ministries. This applies to:
- 1.** Outright gifts of real estate, or
 - 2.** Deferred gifts of real estate.
- B.** The Chief Administrative Officer and Chief Financial Officer of the Synod may advise the Foundation as to the acceptability of any real estate gift.

Policy Name: **Environmental Study Relating to Gifts of Real Estate**
Policy Number: **2-B06-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Gifts of real estate may require an environmental study prior to receiving the gift.

Policy:

- A. The Lutheran Church—Missouri Synod may instruct the LCMS Foundation to secure an environmental study on a proposed gift of real estate, even if LCMS Foundation policies do not require one for a particular type or piece of property.
- B. Such instruction will come from the Chief Financial Officer or Chief Administrative Officer of the Synod. The LCMS shall bear the costs of such study.

Policy Name: **Gifts of Securities**
Policy Number: **2-B07-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Mission Advancement will seek assistance from LCMS Foundation for gifts of securities.

Policy:

- A. The Lutheran Church—Missouri Synod and Mission Advancement staff will utilize the LCMS Foundation, under the Foundation’s policies, to accept and process gifts of negotiable securities (either publicly traded or closely held) on behalf of the Synod and its ministries.
- B. Mission Advancement staff will utilize instructions and forms prepared by the LCMS Foundation for:
 - 1. Making a gift of negotiable securities, and
 - 2. The Foundation’s account for receiving such gift via electronic transfer of shares.

Policy Name: **Estate and Gift Planning Services**
Policy Number: **2-B08-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Gifts involving estate and gift planning will require specific expertise.

Policy:

- A. Mission Advancement staff, primarily the Mission Advocates, will engage subject matter expertise from the LCMS Foundation in situations when a donor wishes to establish or modify his or her Christian estate plan.
- B. The LCMS Foundation, and its gift planning services unit, will be the preferred provider and marketing agent of planned giving and estate planning services in situations where Mission Advancement staff hold the primary relationship with a donor.
- C. This policy pertains to:
 - 1. Wills and Bequests (at a minimum, the Foundation will review or recommend bequest and will language prepared by Mission Advancement personnel)
 - 2. Charitable Gift Annuities
 - 3. Charitable Remainder Trusts
 - a. Charitable Remainder Insurance Trusts
 - b. Charitable Remainder Annuity Trust
 - c. Charitable Remainder Unitrust (Unit Trust)
 - 4. Charitable Lead Trusts
 - a. Charitable Lead Annuity Trust
 - b. Charitable Insurance Lead Trusts

5. Revocable Living Trusts

D. The LCMS Foundation will also be the preferred provider of charitable gifting instruments, including, but not limited to:

1. Donor Advised Funds

2. Endowed Funds

E. Exceptions –

1. Donors may override this policy by indicating a desire to work with a different provider of estate and gift planning and planned giving services.

2. At all times, Mission Advancement will comply with a donor's wishes.

Policy Name: **Administration of Information Systems/Services**
Policy Number: **2-B09-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Donor databases will be regularly maintained.

Policy:

- A. The Chief Administrative Officer of the Synod has direct oversight of information systems and services via the Information Technologies (IT) Department, including the donor database (systems and software).
- B. With respect to donor information maintained within that system and software, the Executive Director of Mission Advancement will designate a member of the Advancement team to be responsible for the integrity of all donor-related data.
- C. The designated individual will supervise and coordinate:
 - 1. Contact information corrections and appends, including address, telephone and email updates
 - 2. Demographic corrections and appends, such as birth dates
 - 3. Standardization of data formats (dates, salutations, punctuation and capitalization)
 - 4. Data correction upon discovery of errors or inconsistencies
 - 5. Consolidation of new or acquired data files with the existing database
 - 6. Cross-file connections with other LCMS entities (such as the LCMS Foundation)
 - 7. Donor-directed relationship preferences such as mailing frequency, preferred salutation, preferred electronic, mailing and telephone contact information, marketing preferences, etc.

D. Exceptions – This policy does not apply to donor database systems used by the LCMS Foundation for its purposes.

Policy Name: **Gift Support Documentation Procedures**
Policy Number: **2-B10-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Major gifts must have documentation.

Policy:

- A. Gifts of \$5,000 or more must have sufficient documentation to confirm the donor's specific intent, including an unrestricted designation. Documentation may include, but is not limited to:
1. A comment on the memo line of a check,
 2. An accompanying note or letter,
 3. A Synod-printed response device,
 4. A gift commitment or intention form supplied as part of a gift proposal,
 5. A copy of the relevant portion of a will or trust instrument,
 6. A personal visit, or
 7. A written record of a telephone conversation.
- B. For bequest gifts (wills, trusts, etc.):
1. An executor or surviving member of the donor's immediate or extended family may not override the donor's documented intent.
 2. An undocumented bequest will be treated as an unrestricted bequest unless documentation signed by the decedent is provided at a later date to substantiate a restriction of the gift.

- C. In the event a gift of \$5,000 or more is undocumented, staff members will be responsible for confirming donor intent and procuring acceptable documentation to substantiate the donor's intent in the following manner:
1. Documentation of a solicited gift will be the responsibility of the staff member who solicited the donation.
 2. Documentation of an unsolicited gift which is neither a planned gift nor a deferred gift will be the responsibility of the Mission Advocate having primary responsibility for the donor's state, city or zip code of residence. The zip code or primary relationship manager will be the final determinant of that responsibility.
 3. Documentation of a gift from a donor who is not currently assigned to a staff member (Mission Advocate, giving club manager, etc.) as the primary relationship manager will be the responsibility of the Mission Advocate having primary responsibility for the donor's state, city or zip code of residence. Zip code will be the final determinant of that responsibility.
 4. Documentation of an unsolicited planned or deferred gift will be handled by the LCMS Foundation or the Synod's legal counsel.

Policy Name: **Giving Club Membership Qualification and Recognition**
Policy Number: **2-B11-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: May 18, 2017

Policy Summary: Giving clubs generally have annual requirements.

Policy:

A. Qualifications for the giving clubs managed by Mission Advancement will be annually reviewed and adjusted as necessary to maintain efficiency and effectiveness regarding revenues and expenses. The giving clubs are:

1. **Ascending Roots** – a special group of donors who wish to support the global Witness, Mercy and Life Together work of the LCMS. Gifts are credited to the Global Mission Fund, an account that provides financial resources to the Office of International Mission and Office of National Mission, wherever the need is greatest at the time the gift is received. The minimum annual gift encouraged is \$300; however, donors may contribute less. Donors make gifts monthly, quarterly, annually or in a customized payment schedule that fits their needs. Recognition is given through individualized attention by a Mission Advancement staff member managing the program.



2. **Together in Mission** (or “TIM”) – congregations or groups in the LCMS who make intentional financial commitments to support one or more international or national missionaries. Congregations and groups enroll at a giving level comfortable for their members. Donors make gifts monthly, quarterly, annually or in a customized payment schedule that fits their



needs. Recognition is given through personalized attention by a Mission Advancement staff member managing the giving club and communication from the missionaries being supported. Schedules will determine when personal presentations are made.

3. Senders – a group of individuals and households who make an intentional financial commitment to support one or more international or national missionaries. There is no minimum gift level required. Donors may make gifts monthly, quarterly, annually or in a customized payment schedule that fits their needs. Recognition is given through personalized attention by a Mission Advancement staff member focused on managing the giving club, and by personal presentations and communication from the missionaries being supported.



4. Messengers – The Messengers Giving Society is a group of individuals and households who support LCMS seminaries and their students with critical and consistent funding through The LCMS Joint Seminary Fund. Gifts offered through the LCMS Joint Seminary Fund allow seminaries to address areas of greatest need: identifying, informing, and encouraging potential pastoral candidates; assisting students with financial aid in order to lower educational debt; sustaining the highest-caliber faculty possible; developing curriculum and materials; constructing, maintaining, and operating facilities; and providing continuing education opportunities for present and future pastors.

B. Exceptions – This policy section does not include KFUCO Radio Partners or any other giving club operated outside of LCMS Mission Advancement.

Policy Name: **Gift Crediting and Tracking for Campaigns**
Policy Number: **2-B12-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: May 18, 2017

Policy Summary: Gifts will be credited and tracked in different ways depending on the nature of the gift.

Policy:

A. Current Gifts –

1. Cash, checks, and credit cards will be credited at the actual amount of the gift at the date of the receipt, determined by the date of the postmark (cash or check) or timestamp (credit card) when mailed or phoned in.
2. Pledges will be credited at the full amount when a signed commitment (form, letter, agreement, etc.) is received. Pledge payments are counted in fiscal year receipts for the purpose of reporting cash flow, but not in campaign totals to avoid double counting.
3. Publicly traded securities will be credited using the value calculation employed to create the receipt (average of high and low sale price on the date of the gift multiplied by the number of shares given), not by the cash proceeds of the sale of those securities by the Synod or Foundation.
4. Realized bequests will be credited at cash value when received.
5. Difficult to value property (closely held stocks, bonds, real estate, art, etc.) is credited at the appraised value, not at the value of the sale or disposal proceeds.
6. Charitable Lead Trusts will be credited as a pledge in the amount of income projected to be paid as period gifts from the trust over the time period of the campaign.

B. Deferred Gifts (Irrevocable and Revocable) – the LCMS will normally not count deferred gifts secured during a campaign period, with the exception of Charitable Lead Trusts where the donor signs a commitment form.

- C. Exceptions – In cases of a comprehensive campaign where deferred gifts will be counted under the direction of campaign leadership and acceptance by the Synod’s constituency, specific policies regarding the counting and tracking deferred gifts, both irrevocable and revocable.

Policy Name: **Pledge Redemptions and Write-Offs**
 Policy Number: **2-B13-14**
 Policy Manual: MADV Policy
 Applies to: MADV
 Section: Fund-Raising Policies and Procedures: Procedural
 Issue Date: August 12, 2016

Policy Summary: Specific time periods define lapsed and delinquent pledges.

Policy:

- A. The Lutheran Church—Missouri Synod will consider a documented pledge to be ***lapsed***:
 1. When a donor has missed a single monthly pledge installment (payment), or
 2. When 60 days has passed since the scheduled date of a quarterly, semi-annual or annual pledge installment (payment).
 3. In all instances, a payment reminder notice will have been provided to the donor.

- B. The Lutheran Church—Missouri Synod will consider a documented pledge to be ***delinquent***:
 1. When a donor has missed a second monthly pledge payment, or
 2. When 120 days have passed from the date a scheduled quarterly, semi-annual or annual pledge payment was due.
 3. In all instances, a minimum of two pledge balance (reminder) notices will have been provided to the donor.

- C. Lapsed and delinquent times are displayed in this chart:

Pledge Period	Lapsed	Delinquent	Write-off
Monthly	30 days <i>after</i> 1 missed installment	60 days <i>after</i> 1 missed installment	180 days
Quarterly	60 days <i>after</i> 1 missed installment	120 days	180 days
Semi-annual	60 days <i>after</i> 1 missed installment	120 days	180 days
Annual	60 days <i>after</i> 1 missed installment	120 days	180 days

- D.** Procedural Implications – The Lutheran Church—Missouri Synod will only record pledges in BBEC when:
1. A verbal annual pledge has been made via the Telecare program,
 2. A signed gift intention form has been received by Mission Advancement,
 3. A written gift proposal is accepted by the donor in writing and the plan involves fulfilling the gift using multiple payments, or
 4. The donor has provided documentation of an intent to make a gift using installments over a period of time.
 5. Verbal pledges (other than those made via the Telecare program) will be noted in BBEC, but not recorded as an actual pledge receivable.
- E.** In all cases, except foundation grants, pledges will be recorded in BBEC as *conditional promises to give*. Pledges by foundations will be recorded as *unconditional promises to give*.
- F.** All donors will receive a printed *pledge fulfillment packet* on a regular basis.
1. Monthly and quarterly donors will receive fulfillment packets containing instructions with the current pledge information (total pledge, amount due, balance of pledge outstanding), one or more postage paid envelopes, and remittance devices to facilitate sending the installment.
 2. Semi-annual and annual donors will receive pledge balance (reminder) letters approximately 30 days before to the next scheduled payment.
 3. The letter will contain instructions with the current pledge information (total pledge, amount due, balance of pledge outstanding), a postage paid envelope and a remittance device to facilitate sending the installment.
- G.** When a pledge is declared 'lapsed', a written past due reminder notice will be mailed to the donor. The reminder will include an option for modifying the pledge (amount, schedule of payments, length) and a postage paid reply envelope.
- H.** When a pledge is declared “delinquent”, Mission Advancement staff will make a minimum of three attempts to contact the donor, either by telephone or personal visit (depending on the amount of the pledge). Staff will seek to determine the donor's intent regarding the pledge as:

1. Resumption of payments per the original pledge commitment,
 2. Modification of the pledge terms (amount, schedule of payments, length), or
 3. Write-off of the pledge.
 4. Under no circumstances will Mission Advancement staff apply coercive pressure to the donor to make an immediate payment, or treat the past-due installment and pledge as a 'bill' that must be paid. Staff will only seek to understand the donor's situation and intent regarding their pledge.
- I. After making a minimum of three unsuccessful attempts to reach the donor, and if the write-off time period has been reached (180 days):
1. Mission Advancement will cancel (write-off) the outstanding balance of the pledge.
 2. Staff will notify the donor in writing that the pledge has been cancelled and invite the donor to contact Mission Advancement with any questions.
 3. Mission Advancement will adjust the donor's BBEC record and notify the Synod's accounting office the pledge has been written off.

Policy Name: **Determining a Gift's Designation**
Policy Number: **2-B14-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Gifts will be matched with the designation intended by the donor.

Policy:

- A. Each gift will be processed and credited to a designation that most closely matches donor intent according to documentation supplied by the donor.
1. Gifts without a restriction specified or provided by the donor will be treated as unrestricted and credited to the Synod's unrestricted fund.
 2. Gifts given in response to an unrestricted gift appeal will be treated as unrestricted unless the donor designates the gift in writing.
 3. In order of credibility, gifts may be restricted to the appropriate account as determined by:
 - a. A note or letter signed by the donor which accompanies the gift or a specific designation written by the donor on a Synod-produced response device, even if the designation conflicts with that of the response device.
 - b. A restriction made using the memo line of a check (over-ridden by 3. a.).
 - c. A Synod-produced response device accompanying a restricted gift solicitation instrument (direct mail appeal, telephone appeal, major gift proposal, etc.).
 - d. A restricted gift electronic donation link (e.g. disaster relief, Global Mission Fund, etc.).
 4. A Synod-produced business reply envelope used by the donor to send a gift to the Synod will not function as the sole determination of a gift restriction except in the following cases:

- a. National Offering
 - b. Worship Offering Envelopes via the CPH catalog
 - c. Newsletter envelopes (e.g. Lutherans Engage the World) printed without an integrated response device
5. If doubt exists as to the donor's intent for a gift sent via a Synod-produced envelope without an accompanying response device or letter, staff will contact the donor for clarification and will procure acceptable documentation of the donor's true intent.

B. Exceptions –

- 1. The Executive Director of Mission Advancement, or an authorized section supervisor (director), may direct the transfer of a gift from one fund into another fund based on a telephone or personal conversation with the donor;
- 2. However, documentation of that conversation must accompany the redirection of the gift.

Policy Name: **Securing Donor Recognition Permission**
Policy Number: **2-B15-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Procedural
Issue Date: August 12, 2016

Policy Summary: Written permission must be obtained from a donor prior to any public acknowledgement of a gift.

Policy:

- A. Prior to any public acknowledgement of a gift, the LCMS will secure written permission from the donor.
- B. Documentation that contains the nature of the consent (location of display, frequency, preferred name form, etc.) will be included.

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Part C

Fund-Raising Policies And Procedures

Glossary

Policy Name: **Glossary**
Policy Number: **2-C01-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Glossary
Issue Date: August 12, 2016

Policy Summary: The glossary provides definitions for terms used in the policy manual.

Policy: Definitions –

Annual Pledge – A pledge made by a donor who intends to fulfill the total amount through payments made within a twelve (12) month period. An annual pledge differs from an annual gift in that the pledge covers a period of at least one year.

Annuity – An investment instrument offered by insurance companies and other financial services providers which offers a fixed income to the investor for the remainder of their life or over a stated number of years. Under certain circumstances, annuities may be used to support and fund charitable goals and purposes.

Appraisal – An action or process to determine the value of a non-cash item using one of several commonly accepted methods. A qualified appraisal is performed by an individual specially trained and with the experience to accurately determine the current market value of an item. The procedure for determining the value of an item donated for charitable purposes is set forth in IRS Form 8283.

Appreciated Asset – An asset whose current market value exceeds its cost basis.

Basis Points – A unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security.

BBEC – Acronym for Blackbaud Enterprise Constituent Resource Manager, the information system used by the LCMS to record and track donor-related activity.

Beneficiary – Organization or program that benefits from a charitable gift.

Bequest – Assets received from an estate in accordance with instructions set forth in an individual’s will, or similar instrument, written for the purpose of distributing estate assets following death.

Board of Directors – A group of people, elected by the Synod in Convention, who comprises the governing body of a corporation or organization as representatives of the Synod-at-Large. The composition of the Board of Directors and the duties of the governing body are specified in the Constitution of the Synod. The functions of directors involve a fiduciary duty to the Synod and its members. Directors are in control of others' property and their powers are derived primarily from the congregation and legal statutes. Directors are responsible for determining and executing corporate policy. For example, they make decisions regarding supervision of the entire enterprise and the Synod’s mission and ministry plan.

Budget – The formalization of the organization’s annual operating plan and an articulation of how expected revenues and anticipated expenses will be utilized in a controlled manner to carry out that plan.

Campaign – An organized, intensive fund-raising effort to secure gifts and pledges for specific purposes over a specified period of time.

Capital/Plant Fund – A Synod account(s) dealing with monies restricted or designated for the acquisition or maintenance of property and equipment which is to be depreciated over time.

Challenge Gift/Grant – A conditional promise to give (pledge) offered up by a donor whose fulfillment is contingent on the organization meeting certain objectives and conditions relating to the involvement of other donors. Failure to meet the conditions and objective voids the promise of a gift. See also “Matching Gift”.

Charitable Gift Annuity (CGA) – A deferred gift created when one or more persons (annuitant(s)) contribute money or securities to the Synod via the LCMS Foundation in exchange for regular annuity payments paid to the donor(s) and certain tax benefits. The term of the annuity period is either for the life of the annuitant(s) or for a fixed term of years, after which the residual assets are transferred to the Synod.

Charitable Remainder Annuity Trust (CRAT) – An irrevocable transfer by a donor of assets (cash, property or both) to the Synod via the LCMS Foundation, where the assets are invested and managed as a separate trust. Donor(s) receive a fixed income for life, or a term of years, together with certain tax benefits. No further additions to the fund are possible once it has been established.

Charitable Remainder Uni-Trust (or, Unit Trust) (CRUT) – Similar to a charitable remainder annuity trust, except that the resulting income stream is not fixed but is a percentage of the net fair market value of the uni-trust as determined annually. Additional contributions to the trust may be made after it is established.

Chief Administrative Officer (CAO) – The Board of Directors-appointed officer, mandated by the Synod’s Constitution and Bylaws, who oversees the business and legal affairs of the LCMS.

Chief Financial Officer (Treasurer) (CFO) – The Board of Directors-appointed officer, mandated by the Synod’s Constitution and Bylaws, who oversees the financial affairs of the LCMS, including investments, annual operating and capital expenditure budgets.

Chief Mission Officer (CMO) – A Constitutionally-mandated officer of the Synod, called and appointed by the President of the Synod, who oversees the strategic ministry plan of the LCMS and its tactical management by the Office of International Mission, Office of National Mission, Pastoral Education, Communications and Mission Advancement.

Closely-Held Securities/Stock – Shares of a for-profit company which are not publicly traded or available for purchase by the public.

Conditional/Unconditional Promise to Give – A classification of pledges according to FASB Generally Accepted Accounting Principles which indicates the level of action an organization is legally and ethically able to pursue in collection/fulfillment efforts. Unconditional promises to give indicate the recipient organization may take any action, up to and including legal action, to satisfy the donor’s stated intent to give. Conditional promises to give reflect the reality that a donor may or may not be able to fulfill the pledge due to factors beyond their control, or a position by the recipient organization that precludes the possibility of legal recourse to collect on the pledge.

Constituency – A distinct group of individuals or organizations such as: rostered workers (ordained and commissioned), missionaries (active and retired), donors (individuals and groups), board of directors, staff (officers, directors, and employees), clients, agencies, etc. Also referred to as “stakeholders.”

Corporate Matching Gift – Donation issued by a corporation or business in response to an employee’s monetary gift to an outside not-for-profit entity.

Cost Basis – The original value of an asset for tax purposes (usually the purchase price), adjusted for stock splits, dividends and return of capital distributions. This value is used to determine the “capital gain (or loss)” which is equal to the difference between the asset's cost basis and the current market value. Also known as "tax basis."

Deferred Gift – A gift which is arranged now, with benefits to the Synod delayed (deferred) until a later time, usually, but not always, upon the death of the donor(s).

Deferred Gift Funds – A deferred gift created when one or more persons contribute money or property to the Synod in exchange for annuity payments (income stream) and certain tax benefits. The first annuity payment is deferred more than one year following the date of the contract. The term of the annuity period is either for the life of the annuitant(s), or for a fixed term of years after which the assets in the annuity account are transferred to the fund(s) of the Synod as directed by the donor.

Delinquent Pledge – A pledge where the donor has missed a second installment in a row or a situation where a payment is past due by 120 days.

Depreciated Asset – An asset whose current market value is lower than its cost basis.

Designated/Restricted Gift – A gift whose use is constrained by the donor to a specific expenditure or purpose. Unlike an unrestricted gift, which can be expended for any valid budgeted purpose as determined by the Board of Directors, a restricted gift may only be utilized when an expense has been incurred that meets the conditions placed on the gift by the donor.

Direct/Current Gift – A complete and irrevocable transfer of cash or other assets.

Direct Mail – A solicitation appeal conveyed to the donor by the U.S. Post Office or other carrier, consisting of a postcard or a letter enclosed within a carrier envelope and containing a return envelope and response mechanism (form) with pre-printed donation information.

Donor – A person, organization, corporation, foundation, church/congregation, or other entity who actively supports the work of The Lutheran Church—Missouri Synod via financial contributions.

Endowment, Permanently Restricted (Net) Asset/Gift – A restricted charitable gift supplied by a donor whose assets (cash or property) may not be expended, but must instead be invested and held in perpetuity and the annual income (interest, capital gains, etc.) used for a charitable purpose in support of The Lutheran Church—Missouri Synod. Note: Donors may also establish “Term” endowments, whereby the assets generate annual income over a set number of years, after which the assets may be liquidated and used for the same charitable purpose. Term endowments are typically considered temporarily restricted (net) assets, not permanently restricted net assets.

Executive Director, Mission Advancement – The called or hired head of the Synod’s direct gift fund-raising and donor relations unit. Reports directly to the Chief Mission Officer.

Expectancy – A will, living trust or donor-owned insurance policy (all revocable instruments) in which the donor has named the Synod or one of its ministry units as partial or whole recipient of the proceeds.

Expendable Gift – A gift which may be spent in full within the fiscal year in which it was received. Also called an unrestricted gift.

Fair Market Value – The amount of money a willing buyer will pay to a seller, all parties being fully aware of the circumstances and condition of the item being sold/purchased.

Gift – A donation of money, investments or property in support of a non-profit organization and its mission

Gift Support Documents – A letter, note, check memo line, signed contract or will, signed pledge commitment or intention form, signed proposal document, marked response device or other printed/printable item which provides information about a donor’s intent for the use of a charitable gift.

Grant – A gift of money, usually from a foundation or corporation, typically restricted for a specific purpose or use that requires periodic program and financial reports to account for the gift’s use and impact.

Information System(s) – Hardware (computers, tablets, mobile devices, peripheral equipment, etc.), software (programs, applications, databases and data files), connections (cables, transmitter/receivers, etc.) and personnel that together function to store and supply critical business-related information for when it is needed by decision makers and employees. For Mission Advancement, the primary information system example is the Blackbaud Enterprise Constituent management system (BBEC).

In-Kind Gift – Any gift other than cash, including securities, real estate, personal property and ordinary income property such as intellectual property. Synonymous with “Non-cash gift.”

Insurance Gift – Life insurance for which the Synod or its ministries is a full or partial beneficiary.

Irrevocable Gift – A gift which, once made, cannot be returned to the donor and over which the donor ceases to have control over the use or management of the gift, except those which are specifically allowed. Note: Can also be described as a complete and total transfer of ownership and control over assets which cannot be reverted back to the donor.

Lapsed Pledge – A pledge where the donor has missed a monthly installment or, in the case of less frequent payment options, a scheduled installment is past due by 90 days.

LCMS Foundation – A separate corporate entity that provides investment management services for legacies, bequests, devises, endowments, annuity gifts, and other trust funds of the Lutheran Church–Missouri Synod and its agencies. Furthermore, it provides gift planning services, materials, and training events to assist gift planning counselors throughout the Synod in consummating gifts.

Life Estate Agreement – The irrevocable transfer of a personal residence or farm to the Synod or its ministries in exchange for a life estate. Donors may continue to live in the residence or on the farm as if it had never been given away, for as long as they live. The donor maintains, pays all expenses and receives all income related to the property. The donor receives a charitable deduction in the year of the transfer for a portion of the property’s value. The Synod owns a remainder (residual) interest in the property and takes possession either when the donor gives it up or passes away.

Matched Gift – A donation which qualifies the organization to secure additional funds from a donor who has made a matching gift pledge.

Matching Gift – A conditional promise to give (pledge) offered up by a donor (individual, foundation, organization or corporation) who promises to give an amount that is in a ratio to donations from others, typically 1-to-1 but can be other ratios (1:2, 2:1, 3:1, etc.). The match requires the organization to provide a report on gifts (and possibly pledges) which is used to release the amount pledged by the matching donor under the accepted ratio. The promise to give may be satisfied in full, or in part, but the donor pledges to match gifts that are received regardless of the fundraising target or goal.

Matured Deferred Gift – Money or other property which is irrevocably placed in the Synod's accounts after the terms of the original contract which created the gift have been satisfied, such as the death of the donor.

Ministry (Ministries) – One of a number of program areas of The Lutheran Church—Missouri Synod's national office that are operated by the Office of National Mission, Office of International Mission, Pastoral Education, Communications, the Office of the President, various boards and commissions. Examples include: The 72, Life and Health Ministry, LCMS Disaster Response, Rural and Small Town Mission, Ministry to the Armed Forces, KFYO radio, Concordia Historical Institute and the Africa region of International Mission.

Mission Advancement – The organizational and structural unit of The Lutheran Church—Missouri Synod, under the direction of an Executive Director who is supervised by the Chief Mission Officer, responsible for the planning, execution and coordination of Synod-wide fundraising activities in order to maximize charitable gifts in support of the Synod's mission and ministry and for fulfilling the Synod's donor relations responsibilities for stewardship and accountability of gifts received.

Monthly Pledge – A pledge made by a donor who intends to fulfill the total amount through payments made each month, either by check, electronic funds transfer or a debit against a credit card.

Non-Cash Gift – Any gift other than cash, including securities, real estate, personal property and ordinary income property, such as intellectual property. Synonymous with "In-kind gift."

Non-Expendable Gift – A gift classified as a permanently restricted net asset (endowment), the principal of which may not be invaded or spent. See "Endowment" above.

Operating Fund – LCMS accounting fund dealing with current operational expenses. A fund can either be unrestricted, temporarily restricted or permanently restricted (endowment). Most permanently restricted funds are managed by the LCMS Foundation.

Ordinary Income Property – A gift of inventory from a business (such as an automobile from a car dealer, furniture from a department store, etc.), or intellectual property, the sale or use of which would normally provide income to the donor.

Personal Property – Any non-cash, non-real estate asset held by an individual. Examples of personal property include automobiles, watercraft, aircraft, jewelry, art and artwork, collectables, furnishings, etc.

Permanently Restricted (Net) Assets – See “Endowment” and “Non-expendable gift” above.

Planned Gift – A complex gift arrangement, whether current or deferred, which requires special planning and execution in order to balance the benefit between donor and recipient organization. Such planning may include legal documents and detailed gift instruments, outside counsel, coordination with financial and tax planners and synchronization with the donor’s estate plan components which are related to the gift being made.

Pledge – A non-binding, preferably written commitment (signed and dated) by a donor to provide a future gift(s) for which pledge reminders and fulfillment packets are issued. The written commitment typically includes the total amount the donor plans to give, the amount and frequency of the installments (payment) toward the total gift amount and the date on which the donor wishes to begin or make installment payments against their commitment. Pledges are encouraged for the purpose of more accurately estimating future cash flow over a period of time.

Pledge Fulfillment Packet – A package/packet sent or provided once a donor has made either a verbal or a documented pledge. The fulfillment packet contains a pledge notice (showing the specifics of the pledge including payment progress and the outstanding balance), a fulfillment/response device (slip with donor’s name, lookup ID number, address, pledge info and payment info), and a postage-paid reply envelope. The packet may include a personalized cover letter depending upon the size of the pledge.

Probate – The legal process for collecting, administering and distributing a person’s estate following death, in which the court affirms the validity of the will and the personal representative’s actions in accordance with that will. Probate is done either in accordance with a testamentary document (such as a will) or, lacking such a document, in accordance with intestacy laws established by the donor’s last state of residence.

Program – A method used by Mission Advancement to solicit gifts, presently categorized as direct mail, telephone, publications/newsletters, face-to-face cultivation and solicitation, grants applications, e-appeal, web appeal, memorials/honorariums, giving programs (clubs and societies), special events, etc.

Prospect – A person, organization, corporation, foundation, congregation or other entity which has been identified by the Synod as a potential source of gift support, and for whom the Synod’s ministries may be of interest to help fulfill a philanthropic goal or objective

Quarterly Pledge – An annual or multiyear gift pledge made by a donor who intends to fulfill the total amount through payments made once every three (3) months, either by check or electronic funds transfer.

Real Estate – Real property, such as land or buildings and may include other fixtures attached to the land (such as an oil well).

Receipt – Document issued to a donor certifying that ownership of an item of value, such as cash or property, has been fully and irrevocably transferred to the recipient organization, and that the donor has received no value in return for the exchange of ownership.

Receipt Letter – A letter of acknowledgment to a donor issued in response to receiving a gift/donation. The receipt letter can be an integral part of the receipt, an accompanying document or a completely separate document.

Restricted/Designated Gift – A gift constrained by the donor at the time it is given to accomplish a specific purpose or to fund a specific aspect of the Synod’s mission and ministry. The recipient organization must accept the restriction and comply with the donor’s intent, renegotiate a more mutually-beneficial use of the gift or decline /return the donation.

Revocable Gift – An incomplete gift which may be rescinded by the donor, or for which control is not completely and totally relinquished by the donor. The gift is not realized, and therefore, no tax benefits are allowed.

Securities – A financial instrument that represents: an ownership position in a publicly-traded corporation (stock), a creditor relationship with governmental body or a corporation (bond), or rights to ownership as represented by an option. A security is a fungible, negotiable financial instrument that represents some type of financial value. The company or entity that issues the security is known as the issuer. (Definition provided by Investopedia). Mutual funds are a combination of various types of securities (stocks, bonds) intended to achieve a specific investment outcome.

Semi-Annual Pledge – An annual or multiyear pledge made by a donor who intends to fulfill the total amount through payments made once every six (6) months, either by check, securities transfer or electronic funds transfer.

Telephone Solicitation/Campaign – A fund-raising effort using the telephone to contact and solicit donations.

Temporarily Restricted (Net) Assets/Gift – A donation account classification for gifts which cannot be expended until a corresponding expense, one that satisfies the donor’s intent, has been incurred. When the conditions or constraints placed on the donation have been satisfied, the gift is released into the unrestricted gift classification and expended. See Restricted/Designated gift.

Undesignated Restricted Gift – A restricted gift without a subsequent or subservient designation stipulated by the donor. For example, a donor gives in support of the Office of International Mission (restricted gift,) but does not specify how the Office of International Mission is to spend the gift. The gift is considered to be undesignated, rather than unrestricted.

Unrestricted Fund – The general account of The Lutheran Church—Missouri Synod. Donations to this fund may be used wherever they are needed most at the time of the gift is received to underwrite the Synod’s annual approved operating budget.

Unrestricted (Net) Assets/Gift – A gift without any restrictions made to The Lutheran Church—Missouri Synod and not one of its ministry areas. Unrestricted gifts must be expended to meet budgeted expectations and objectives approved by the Board of Directors.

Valuation – Determination of the fair market value of non-cash property being donated, including negotiable securities.

Will – A document that typically beings with “The Last Will and Testament” because it directs survivors, personal representative(s) and a court as to how the deceased person’s assets should be managed, distributed, disbursed or used to pay off debts. A will is revocable until the person passes away, after which time it becomes irrevocable unless contested and the court upholds the contested claim.

Write-Off – When pledge is declared to be uncollectable for one of several reasons: 1.) the donor cancels their intention either verbally or in writing; 2.) the LCMS has lost contact with the donor or the donor is unresponsive to communication efforts; 3.) a data entry error or misunderstanding is being corrected and the pledge has been transferred to a different donor record. Note: in the case of this policy document, a write-off shall reflect only the change to pledges made in the BBEC system, and not to changes made either by LCMS Accounting or its auditors in other financial management systems.

Part D

Fund-Raising Policies And Procedures

Exhibits

Policy Name: **Exhibits**
Policy Number: **2-D01-14**
Policy Manual: MADV Policy
Applies to: MADV
Section: Fund-Raising Policies and Procedures: Exhibits
Issue Date: May 24, 2017

Policy Summary: The exhibits attached to the policy manual provide supplement understanding to guide portions of the manual.

Policy:

- A. Legal and Tax Information for The Lutheran Church—Missouri Synod
- B. List of Persons and Agencies Authorized to Solicit Funds on Behalf of The Lutheran Church—Missouri Synod
- C. Code of Ethical Principles and Practices – Association of Lutheran Development Executives (ALDE)
- D. Code of Ethical Standards – Association of Fundraising Professionals (AFP)
- E. Donor Bill of Rights (ALDE)
- F. IRS Form 8283
- G. Instructions for IRS Form 8283
- H. IRS Publication 526: Charitable Contributions
- I. Section 170 of the Internal Revenue Service Code
- J. LCMS Foundation SOP and Procedures Manual: Section: Gift Review and Design; Gift Acceptance Policies
- K. Volunteer Policy Manual
- L. LCMS Board of Directors Policy Manual
- M. LCMS Handbook 2016

N. LCMS Statement of Christian Intent

O. LCMS Foundation SOP and Procedures Manual: Section: Management of Life Insurance Policies

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