

LILLY ENDOWMENT/INDIANA-KENTUCKY SYNOD  
ECONOMIC CHALLENGES INITIATIVE

# Organizing Documents

From the Grant Proposal Workbook

FOR THE



INDIANA-KENTUCKY SYNOD + ELCA

IK SYNOD FREED TO LEAD FUND

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## IK SYNOD FREED TO LEAD FUND

# Preamble

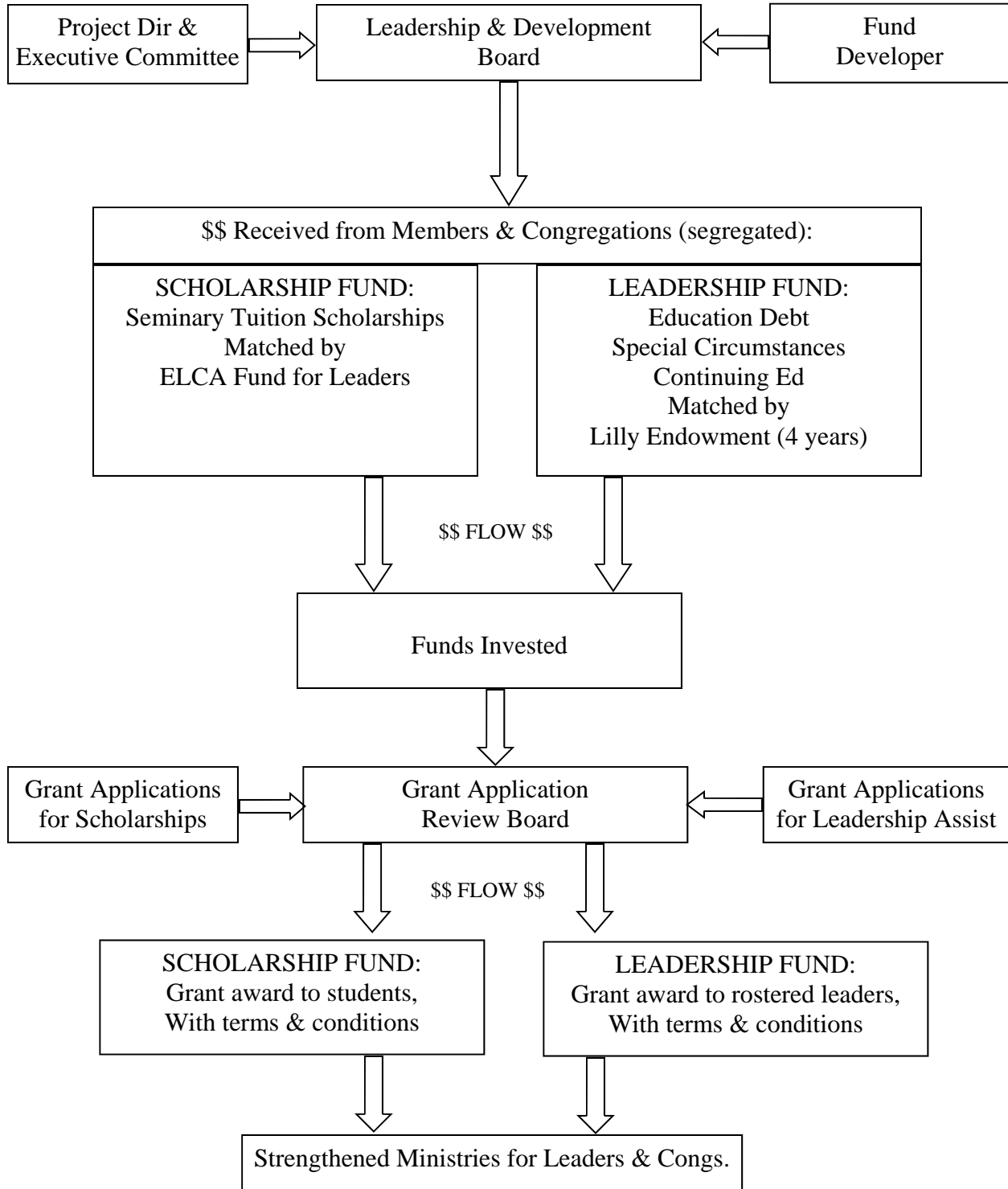
The Freed to Lead Fund is established to uphold the great gift of ministry that rostered leaders provide in service to our Lord Jesus Christ through the Indiana-Kentucky Synod of the Evangelical Lutheran Church in America. The Fund further finds value in the significant relationships that exist between rostered leaders and congregations and is therefore established to strengthen those relationships so that ministry may be enriched in ways that are unencumbered for both rostered leaders and congregations. This Fund will provide a holistic approach to the training and support of rostered leaders for ministry in the church. In order to accomplish this:

1. It will be fundamental to the understanding of the Fund's leaders that the broad-based systemic problems that are creating financial burden upon rostered leaders to the point of impacting ministry must be addressed if the Fund is to meet its long-term goals. These systemic problems begin with the high cost of seminary education and are compounded by insufficient financial management training for rostered leaders.
2. It will also be fundamental to the understanding of the Fund's leaders that resources to adequately support rostered leaders are available within congregations, regardless of size. Issues relating to the support of rostered leaders are intimately tied with stewardship issues and general faithfulness within congregations and are a significant part of the systemic issues mentioned above.
3. It will therefore be a responsibility of the leaders of the Freed to Lead Fund (i.e., the Leadership & Development Board and the Grant Review Board) to work together with any and all supportive mechanisms, organizations and persons within the Indiana-Kentucky Synod, to advocate rigorously wherever these systemic issues can be addressed and to seek ways in which to bring lasting relief and holistic support to rostered leaders of our synod.

Many thanks to the Lily Endowment for inviting the Indiana-Kentucky Synod into studying these issues, providing seed money to address them and assisting us in establishing the Freed to Lead Fund.

# I. Configuration/Operation

OVERSIGHT & CASH FLOW



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# I. Configuration/Operation

## NARRATIVE

The diagram envisions lines of oversight and accountability as well as cash flow within the organization of the IK Synod Freed to Lead Fund.

1. A Leadership & Development Board and its Executive Committee would oversee the Fund and its processes and would be responsible for promoting and developing the Fund and running a Capital Campaign. The Executive Committee, which would see to administrative needs for the Fund and Fund management, would be made up initially of the Phase 1 Project Director, one member of the Phase 1 Task Force, and the Board Chair. Other Board members would include major donors to the Fund.
2. A full-time Fund Developer, shared with the ELCA Fund For Leaders in Mission, would be hired for the first three years to be the “face” of the Fund in publicity and advertising and head up a four year capital campaign for the Fund. In the fourth year, the position would change to that of an ELCA Gift Planner (i.e., planned/deferred gifts/bequests), funded by the ELCA Foundation, the Freed to Lead Fund (for two years with an optional third), and other potential partners (the synod, regional ELCA colleges, seminaries, etc.).
3. A two-track segregated Fund is envisioned in which congregations and individuals may choose to designate contributions for Scholarships for seminary students and/or Leadership assistance that would deal with education debt or other financial burdens of rostered leaders.
  - a. The intention and goal here is to lift up both sides of the pastoral education issue with a perpetual fund that awards grants until the debt side is removed and the scholarship side becomes full tuition.
  - b. Although education debt may be eliminated in the future, it is assumed that there would still be Leadership financial issues to address (pension equity, emergency hardship, etc.). Thus both sides of a segregated fund would always be maintained.
  - c. Fund contribution matches on the Scholarship side would be made from ELCA Fund For Leaders, while matches (and the initial seed money) on the Leadership side would be made from the Lilly Endowment grant (i.e., the \$570,000). Both matches would be made at 50%.
4. A separate Grant Review Board would review applications, see that terms and conditions are met and make awards. They and their grant process would be accountable to the Leadership & Development Board.

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# II. Endowing the Fund

Initially place the Lilly Grant and all Fund contributions with ELCA endowments, in the following ways:

1. Put Lilly Grant with the ELCA Mission Investment Fund (MIF) for short term growth and accessibility, since it must be expended in total in four years.
2. Put new monies in the ELCA Foundation for longer term investment and growth.

The Leadership & Development Board would review investment performance and make appropriate recommendations to the Synod Finance Committee.

The administration of the Indiana-Kentucky Synod Scholarship Fund, which was previously administered by the synod Candidacy Committee, will be maintained separately as it is presently endowed through the first four years of the Freed to Lead Fund, and then become part of this fund. The Executive Committee of the Leadership & Development Board will work with the Synod Finance committee to determine at that point where those investments are to be held.

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### III. Leadership & Development Board

Purpose:

1. Promotion and development of the Freed to Lead Fund
2. Oversight and operation of the Freed to Lead Fund and its supporting programs/personnel.

Make up of the Board: 9 persons + Bishop (ex officio)

1. This initial board will include 4-5 major donors who are not employed by the church and who bring a major gift of \$50,000 or more to the Fund. Later appointments to this Board will not require a gift.
2. The Chair of the Board will also serve as the Capital Campaign Chair.
3. An Executive Committee of 3 persons will do the initial set up work for the Fund while the rest of the Board is being developed. These will include the Chair, the Phase 1 Project Director (paid, half time, Jan 1-Dec. 31, 2009) and one member of the Phase 1 Planning Task Force.
4. The Board will be appointed by the Bishop and Synod Council and will be accountable to them.
5. This Board may see fit to include consultants to assist with its work.

Terms of Office: 3 years, 2 terms possible, 1/3 of Board retired annually, after the first three years of the fund.

Meetings: The Executive Committee and Project Director would need to meet at least monthly for the first six months, beginning Sep. 2008, to make administrative set-up decisions for the Fund while the rest of the Board is developed. A goal should be set to have the full complement of the Leadership & Development Board in place by March 2009. Once fully established, the Board and Executive Committee can determine for themselves how often meetings need to occur.

General Job Description Principles: In the initial years of the Fund, the Leadership & Development Board will concern itself solely with fund development, with all administrative tasks being handled by the Executive Committee and Project Director. After the fund is fully developed and established, the Board may take on more of the administrative tasks and shift its membership accordingly. Development however will continue be a significant responsibility of the Board.

Job Description of the Leadership & Development Board:

1. Incorporate the fundamentals stated in the Fund "Preamble" into the mindset, planning and operation of the Freed to Lead Fund.
2. Be responsible for the development of the Fund through a synod-wide Capital Campaign, making contact with major donors, publicity, etc.,

3. Work in consultation with the Synod Finance Committee for any publicity for the Capital Campaign.
4. Partner with the Fund Developer in developing a four-year Capital Campaign for the new fund to begin 2009 and continue through 2012 and to review the progress of the campaign (see sec. V).
5. Work with the Fund Developer to develop matching programs from foundations and organizations such as Lutheran Foundation and Thrivent Financial for Lutherans for monies received from individuals and congregations.
6. Provide oversight of the Fund Developer with the ELCA Fund For Leaders for the first three years of the operation of the fund (see sec. IV Fund Developer job description), including annual review of the Capital Campaign effectiveness in relationship to the responsibilities of the Fund Developer and make adjustments as necessary.
7. Work with the ELCA Gift Planner from the fourth year forward on developing planned/deferred gifts/bequests.
8. Provide oversight of the ELCA Gift Planner with the ELCA Foundation and other partners funding this position (see sec. XII. Budget and Budget Narrative), including annual review of the Capital Campaign effectiveness in relationship to the responsibilities of the Gift Planner and make adjustments as necessary.
9. Evaluate and measure the work of the Freed to Lead Fund and Capital Campaign as outlined in Section XI. And work with the consultant from Lilly Endowment for Evaluations and Measures.

Job Description for the Executive Committee:

1. Incorporate the fundamentals stated in the Fund “Preamble” into the mindset, planning and operation of the Freed to Lead Fund.
2. Appoint a Prayer Team for the purpose of praying for the organization and development of the Freed to Lead Fund, from its initialization in Sept. 2008 through the end of the Capital Campaign in 2012.
3. Attend to the administrative tasks of setting up the Freed to Lead Fund, incorporating the initial planning timeline (see sec. XII. The Start-Up Year and Beyond), making adjustments as necessary.
4. With the Bishop and the Director of the ELCA Fund For Leaders, to advertise, interview and hire a Fund Developer.
5. Work with the Bishop and Fund Developer to develop the membership of the Leadership & Development Board.
6. Receive reports from the Synod Finance Committee regarding investment performance and availability of funds and make recommendations as necessary.
7. Monitor expenditures of the Fund against the cash flow, making reports to the full Leadership & Development Board as well as to the Synod Council.
8. Oversee the work of the Grant Review Board & advise regarding availability of funds for disbursement in any given year.
9. Before the end of the first year, evaluate the salaried position of the Project Director and make appropriate recommendations to the Leadership & Development Board.
10. In the third year, determine the funding needs for the ELCA Gift Planner for years four and beyond and take action as necessary to support this position. (See also sec. XII. Budget and Budget Narrative.)

11. In the third year, work with the Bishop and the Executive Director of the ELCA Foundation to advertise, interview and hire an ELCA Gift Planner to begin work Jan. 1, 2012.
12. Evaluate and measure the work of the Freed to Lead Fund and Capital Campaign as outlined in Section XI. And work with the consultant from Lilly Endowment for Evaluations and Measures.
13. Annually submit evaluation reports to the Synod Assembly.
14. Annually submit evaluation reports to Lilly Endowment during the four years of their grant period 2008-2011.
15. Make reports as necessary to any other grant partner making contribution to the Fund or its administrative operation.

#### Board Chairperson Job Description

1. Call, provide or ensure reasonable notice of and preside at all regular and special meetings of the Executive Committee and the Leadership & Development Board.
2. Prepare and distribute to the members reasonably in advance of any regular or special meeting a proposed agenda for each such meeting, subject to the approval of the Board at any such meeting.
3. Approve, coordinate and oversee the preparation and distribution of any and all materials and requests for information in preparation for regular or special meetings of the Board.
4. Serve with the Fund Developer as the public face of the Capital Campaign and of the Fund.

#### Job Description for the Project Director

1. The Project Director for the Planning Phase will be continued in his salaried capacity (half time) for the first year of the Fund, rendered as Jan. 1-Dec. 31, 2009 to coordinate with the Phase 1 grant.
2. This position will be funded from the 20% administrative portion that is set aside from donations by major donors of the Leadership & Development Board and the Capital Campaign (see sec. V. Capital Campaign).
3. The Project Director, with the Executive Committee, will direct and coordinate the work of setting up the Fund and initiating all aspects contained in these constituting documents of the Fund.
4. The Project Director will work closely with the Chairs of both the Leadership & Development Board and the Grant Review Board for the initiation of their work and be available to either Board for questions and guidance relating to the constituting of the Fund and its purposes.
5. The Project Director will also work closely with the Fund Developer in helping to interpret the constituting of the Fund and its purposes as well as to offer guidance as is appropriate for the development and initiation of the Capital Campaign.
6. After this salaried work is complete, the Project Director may remain on the Executive Committee as a volunteer for the four years of the Lilly grant program to assist with and sign reports.

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**IV. Fund Developer**

Purpose: A Fund Developer would be hired jointly with the ELCA Fund For Leaders for three years to work with the Leadership & Development Board to plan and run a four-year Capital Campaign to raise new monies to add to the Lilly Endowment grant and move the fund toward perpetuation. In the fourth year and beyond, this position would become an ELCA Gift Planner funded jointly by the ELCA Foundation, the Freed to Lead Fund (2 yrs with optional 3<sup>rd</sup>), and other potential partners including the IK Synod, regional ELCA colleges, seminary, etc.

Position to begin no later than Jan. 1, 2009. (Gift Planner position to begin Jan. 1, 2012.)

Office location: IK Synod Lutheran Center in Indianapolis, IN

Clerical help:

A combination of volunteer and paid work to be arranged through Synod Office  
(See sec. XII. Budget)

Accountable to: Leadership & Development Board

Job description:

1. Be the public face of the Freed to Lead Fund
2. Raise funds
3. Partner with the Leadership & Development Board in planning and running a four-year Capital Campaign for the Fund. (See also Sec. V. Capital Campaign and VI. Publicity).

In regard to that campaign:

- a. Review the purpose of the Capital Campaign.
- b. Develop a Vision Statement for the Campaign
- c. Review the culture of the Synod
- d. Develop, design and implement the Campaign methodology, as well as a master calendar and communications approaches.
- e. Identify key people in each conference to be associates
- f. Develop a list of foundations to contact, including the ELCA Foundation, the Mission Investment Fund of ELCA, and the Lutheran Foundation of Fort Wayne
- g. Develop a grant proposal with representatives of the Lutheran Church-Missouri Synod Indiana District for funding from the Lutheran Foundation of Ft. Wayne.
- h. Program and organize and lead all Campaign enlistment and training sessions.
- i. Develop a list of possible Major Donors, consulting the former campaigns for Mission 2000, Ministry of Caring, and Lutheran Outdoor Ministry.
- j. Plan and attend all leadership and major events.
- k. Identify congregations that currently have seminarians as members and congregations who have pastors with education debt in order to challenge those congregations in their participation.

- l. Be available for consulting, including telephone, fax, e-mail, on-site visits and regularly review campaign contributions.
- m. Produce or obtain training materials for all campaign associates and representatives to provide step by step guidance for participation in the fund.
- n. Report to and guide the Leadership & Development Board regarding the Capital Campaign at their meetings.
- o. Concentrate on faith raising as well as fund raising in materials and with all contacts.

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## V. Freed to Lead Capital Campaign

Purpose:

1. To raise new monies from IK Synod congregations and individuals, as well as organizations and foundations, to add to Lilly Endowment grant seed money, until the Fund is perpetuated.
2. To create a sense of urgency in the Capital Campaign relating to the Fund's development.

Campaign Goal: \$3,500,000 in new money (See sec. XII. Budget for annual goals for 10 years)

Length of Campaign: four years, from 2009 through 2012

Leading the Campaign: Leadership & Development Board and Fund Developer

Components of the Campaign:

Phase 1 -- Quiet phase, before the public phase. Look for outright major gifts from individual donors. 20% of each gift goes to administrative needs. The Bishop is central to this phase. Talk only about outright gifts for first two years -- no planned gifts (bequests/wills). In the third year begin planned giving -- go back to outright givers. Accept multi-year pledges. Find key people one at a time. Focus on finding individuals, not congregations. Encourage peers asking peers to contribute.

Phase 2 -- Public phase. Approach congregations for gifts. 100% of donations to be used for grants (i.e., no administrative use). Start and end with Synod Assembly 2010-11.

Phase 3 -- Continuing phase. Deferred/planned gifts. Make appeals twice per year. Follow-up on pledges made in other phases. Report progress at every Synod Assembly. Never stop.

Throughout the Campaign: Use Lilly money as match at 50% for all gifts to the Leadership side of the Fund. Use Fund For Leaders as match at 50% for all gifts to the Scholarship side of Fund. Raise money on both sides, but lead initially to Leadership/Lilly side of Fund. (Proportion to be determined by the Leadership & Development Board.)

Basic to the understanding of the Capital Campaign: To achieve the goal of \$3.5 million in new money, the majority of gifts will come from major donors, with a much smaller portion coming from congregations. Outright grants from partner foundations and agencies (e.g., Thrivent Financial for Lutherans, Lutheran Foundation of Northeast Indiana, etc.) are encouraged throughout the campaign.

In addition, those responsible for shaping the Capital Campaign should review the following and incorporate in planning as seems appropriate:

1. Consult regularly with the Freed to Lead Prayer Team on the progress of the fund's development and to ask for specific prayers as needed.
2. Develop a program that would include various methods of contributions – cash, credit card, wills, insurance, sale of properties, trusts, charitable annuities, retirement plans, etc.
3. Get to lay leaders as much as (or even more than) pastors
4. Encourage congregations with indebted rostered leaders to make a substantial gift to retirement of his/her debt
5. Encourage matches of congregational contributions from Thrivent and Lutheran Foundation (limited to 35 northeast Indiana churches only)
6. Apply for direct large sum grants from Thrivent Financial for Lutherans and Lutheran Foundation (\$300,000 available, but limited in distributions of the 35 NE churches or pastors of those churches -- see below).

See also Publicity Suggestions (sec. VI)

## VI. Publicity: Raising Awareness of the Need

1. Responsibilities for publicity would be jointly shared by Fund Leadership & Development Board & Fund Developer, to include:
  - a. Regular use of IK Lutheran and synod email for articles and ads (see 6 below)
  - b. Appeal letters to congregations & rostered leaders
  - c. Appeal letters to individual donors
  - d. Presentations by Fund Developer at Synod Assemblies and Prof'l Leaders Confs.
  - e. Presentations by Fund Developer at other synodical meetings & ministeriums
2. Development of a video for Fund publicity, to include:
  - a. Explanation of the Fund
  - b. Interviews with indebted pastors, Bishop, Fund Developer, possible others
  - c. Copy DVD and make available to synod congs. and to Fund Developer
  - d. Use Lilly administrative funds as necessary for this development
3. Development of printed color brochure in consultation with of the Synod Finance Team explaining Fund – distribute to:
  - a. Every rostered leader in the synod
  - b. Multiple copies to every congregation in the synod
  - c. Every candidate entering seminary from the synod
  - d. Every rostered leader coming into first call in the synod
  - e. Extras for use by Fund Developer to give to potential donors
  - f. Use administrative funds as necessary for this development
4. Bishop to be central in assisting with publicity/promotion of the Fund
5. Promote congregational projects for fund-raising, using Thrivent match
  - a. Use synodical publicity vehicles for this, as well as letters
  - b. Develop “how to” kits to include Thrivent matching grant forms
6. Develop 1-4 quarter page ads to appear in every IK Lutheran for four years
7. Develop web page on IK website explaining fund & providing links for a) donations, b) grant application forms, and c) email contact for more info
8. Get the personal and individual stories from those in need to use those stories in publicity. (See the Planning Task Force’s survey results and comments.)

## VII. Parameters of the Fund

The IK Synod Freed to Lead Fund will address the following needs relating to the training and support of rostered leaders in the church:

1. Education Debt
2. Pension – adopt/adapt the Eastern North Dakota Synod model (see below)
3. Scholarships for seminarians
4. Special Circumstances

Overlaying these parameters will be two general principles that will be applied in the grant application process: A. Assessing and improving the financial management abilities of all applicants and providing financial counseling to rostered leaders and church members. B. Working to change the culture within congregations as regards the adequate support of rostered leaders, as stated in the Preamble.

### **Eastern North Dakota Synod Model for Pension Support**

Grants equal 10% of the difference between leader's defined compensation & ELCA avg

Pro-rated for  $\frac{3}{4}$  or  $\frac{1}{2}$  time rostered leader

Applicants must have served in synod for 12 months prior to January application

Everyone who meets the criteria receives a grant

Grants paid directly to Board of Pensions

### **ANTICIPATED AWARDS**

#### **1. EDUCATION DEBT GRANTS**

The Indiana-Kentucky Synod has 113 clergy who graduated in the past 15 years. The Phase 1 Planning Task Force survey sample from Lent of 2008 identified about 2/3 of that number having education debt, with a median figure of just below \$13,000 and an average of almost \$23,000. That means that approximately 75 rostered ministers in this synod have a total of about \$1.7 million in education debt.

The Planning Task Force therefore estimates up to 75 applicants for grants in the first year, 60 the second year, 45 the third year, and 35 for the fourth year, with a maximum grant potential of \$4,000 per year. These calculations are based on the median indebtedness of just under \$13,000, which, by the fourth year, would provide for more than half the applicant pool having their debts paid off.

It is particularly noteworthy here is that in the first years of the new Freed to Lead Fund, the Grant Review Board would essentially have applicants from 15 years to address. If the vast majority of those debts can be eliminated or significantly reduced during the four years of the grant project, then the pool of applicants would begin to decline since those graduating from

seminary only amount to about 8 rostered ministers per year. Therefore, beyond the fourth year, 35 applicants per year are anticipated, which would continue to decline annually, thus freeing up funds for other applications (see for example Scholarships below).

## 2. PENSION EQUITY GRANTS

Following the model established by the Eastern North Dakota Synod of the ELCA, for every \$1,000 of base salary for rostered ministers that is below the national average in the ELCA, an annual contribution of \$1,200 would be made to achieve pension contribution equity. This synod calculates that their base salaries are about 15% below the national average.

Because the Indiana-Kentucky Synod has a similar recommended salary structure to that of Eastern North Dakota, the model serves well. The Phase 1 Planning Task Force survey from Lent 2008 identified about 65% of rostered ministers who are being paid at synod compensation guidelines and 35% who are not. The Task Force therefore projects a very rough estimate of up to 70 applicants per year for pension equity grants, with an annual award in the range of \$400-1200 per applicant (i.e., \$30-80,000 annually).

It is noteworthy that until the compensation guidelines themselves are increased to meet the national average and the support of congregations is also increased, the number of applicants for this award is not likely to decline.

## 3. SCHOLARSHIP GRANTS

During the four years of the grant project, this area does not apply to the Lilly Endowment grant or its matching funds, nor to the proposal budget of the project. Scholarships will continue as they have been distributed from synod funding sources set aside for this purpose. However applications and distribution will now be reviewed by the Freed to Lead Fund Grant Review Board, as it anticipates a growing fund that will make monies available for scholarships after the four year grant project.

## 4. SPECIAL CIRCUMSTANCE GRANTS

Special circumstance grants will by necessity be addressed on a case by case basis. This category of grant is intended to make funds available for extraordinary and unexpected debt that is otherwise not covered through ELCA Pension or Medical. It would be difficult to project what the outlay of funds might be on an annual basis, however it is intended by the Phase 1 Planning Task Force that two major points will need to be considered by the Grant Review Board for these awards: 1. The availability of funds after all other grants are made. 2. The merit of such an application as the defined circumstance balances against impact upon the ministry of the applicant. The Planning Task Force advises that these awards be granted with intentionally limited scope.

**SEE APPENDIX 1 -- FINANCIAL SURVEY OF ROSTERED LEADERS**

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## VIII. Grant Review Board

Purpose: Review of grant applications and making of awards for Leadership Grants to rostered leaders and Seminary Scholarships to synod-approved ministry candidates.

Make up of the Board: 6 persons plus a Chair

Chair person is appointed by the Bishop and Synod Council.

Board elected annually by Synod Assembly

The first Grant Review Board will be appointed by the Bishop and Synod Council from the membership of the Fund Planning Task Force and the current Financial Aid Team of the Candidacy Committee to serve until 1/3 of the Board can be elected at successive Synod Assemblies beginning in 2010.

Terms of Office: 3 years, 2 terms possible, 1/3 of Board retiring annually

Meetings: At least monthly during the set-up year until set up is complete. Then two times per year in April and October, and otherwise as required.

Accountable to: Fund Executive Committee/Leadership & Development Board

Grant Review Board Job description:

1. Incorporate the fundamentals stated in the Fund “Preamble” into the mindset, planning and operation of the Freed to Lead Fund.
2. Review the Grant Application Process from the Fund Planning Task Force and revise as necessary (see sec. IX).
3. Review also section XI. Evaluation & Measures to incorporate in forms and process development.
4. Develop forms for the Grant Application Process for both the Leadership Fund and the Scholarship Fund, reviewing and adapting as appropriate those forms already in use by the IK Synod Candidacy Committee for scholarships.
5. Develop and maintain a list of licensed Financial Counselors in the synod to work with fund applicants.
6. Develop forms for communication between Financial Counselors and the Grant Review Board for applicant accountability in the grant application process. (See sec. IX. Grant Application Process.)
7. Require congregational financial participation with their rostered leaders who apply for Leadership Funds.
8. The Grant Review Board will have full discretion regarding awards to applicants, regardless of level of congregational participation.
9. Determine and, from time to time, amend and modify the criteria and standards for eligibility for and the award of grants and scholarships.

10. Adopt and, from time to time, amend procedural rules, including provision for frequency of meetings, provision for leadership roles on the Board in addition to the appointed Chair, number of members required for a quorum, number of members whose support is required for awarding grants and scholarships, provisions for interviews or meetings with persons considered for grants and scholarships, the form and content of minutes and other records that are to be maintained and their confidentiality as may be appropriate and other governance provisions.
11. Develop and adopt applications, other forms and requests for information in order to obtain objective information electronically or in writing in order to consider and determine grants and scholarships.
12. Determine and approve the award of grants and scholarships according to the criteria and standards that have been established and according to the monies made available by the Leadership & Development Board (see sec. VII Parameters of the Fund).
13. Preparation, distribution as may be appropriate or required and preservation of minutes, reports and other information and documents evidencing and providing record of the decisions and actions of the Grant Review Board.
14. Regularly sponsor financial training workshops and opportunities for synod-wide education of personal financial management skills and planning for rostered leaders and congregational members, especially at regular gatherings of the synod (Synod Assembly, Professional Leaders Conference). In that regard,
  - Each rostered leader can be assigned a financial counselor, if requested by the rostered leader - trained professionals are available and interested in working one-on-one with rostered leaders to implement plans and actions
  - Thrivent Financial for Lutherans and perhaps others can provide trained associates to work with rostered leaders as part of their ongoing work with the congregation
  - Assistance provided includes development of a personal financial plan and specific action steps suitable for each rostered leader requesting this assistance
  - Refresher workshops can be conducted on a regular basis throughout the synod involving both new rostered leaders and others with individual needs

Costs for such workshops or training may be underwritten from the Fund at the discretion of the Leadership & Development Board in consultation with the Grant Review Board.
15. Evaluate and measure the work of the Freed to Lead Fund as outlined in Section XI. And work with the consultant from Lilly Endowment for Evaluations and Measures.
16. This Board may see fit to include consultants to assist in its work.

#### Board Chairperson Job Description

1. Call, provide or ensure reasonable notice of and preside at all regular and special meetings of the Grant Review Board.
2. Prepare and distribute to the members reasonably in advance of any regular or special meeting a proposed agenda for each such meeting, subject to the approval of the Grant Review Board at any such meeting.
3. Approve, coordinate and oversee the preparation and distribution of any and all materials, including completed applications, other forms and requests for information in preparation for regular or special meetings of the Grant Review Board.
4. Schedule and coordinate interviews or meetings with persons considered for grants and scholarships.

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## IX. Grant Application Process

### A. SCHOLARSHIP FUND

Criteria for eligibility: A student approved by the IK Synod Candidacy Committee who is attending an ELCA seminary.

#### Steps in the Process

1. Receive from Candidacy Committee, review, amend as seems appropriate to the new Scholarship Fund and institute.
2. All awards are paid directly to the institution on behalf of the applicant.
3. The Grant Review Board has final authority for approval, reduction, or denial of all grants.

The Process received from the IK Synod Candidacy Committee:

- Candidates do not apply for these funds. The synod's Assistant to the Bishop responsible for candidacy reviews the candidate database twice each year to determine which candidates are eligible for this scholarship and then processes distribution of the funds.
- Funds are sent directly to the financial aid office of the candidate's seminary for application to seminary-related expenses. One half of each candidate's annual total scholarship is sent in September of each academic year, the other half in January. This pattern of dispersal aligns with both the academic year and the synod's fiscal year.
- Each candidate may receive the Student Assistance Scholarship for up to six semesters of full-time seminary study (total per candidate = \$3000.00). This scholarship is not available during internship.
- Recipients of the Student Assistance Scholarship are expected to repay the funds if the candidate withdraws or is removed from candidacy before Endorsement. Once a candidate has been Endorsed by the synod's candidacy committee repayment is no longer required or expected.
- Special Assistance and Emergency/Acute Need Scholarships are also available.

### B. LEADERSHIP FUND

Criteria for eligibility:

1. An applicant must be a rostered leader of the Indiana-Kentucky Synod ELCA
2. The use of a grant award must fit within the parameters set by the Fund (see sec. VII)

#### Steps in the Process

1. Rostered leader submits initial application, stating grant need, using form provided by the Grant Review Board. (To be developed at initiation of Board.)

2. After initial acceptance of the application, the applicant's congregation is notified of the application by the Grant Review Board and informed that their financial participation and partnership in assisting the applicant with debt relief will be a requirement for final approval of a grant from the Freed to Lead Fund. The Grant Review Board will use its discretion in determining the level of that congregational participation. The amount of that congregational participation will not be determinate of the eventual grant award amount by the Board. However financial participation of an applicant's congregation will be necessary to final approval of any grant award.
3. After initial acceptance of the application, the applicant is asked by the Grant Review Board to complete a web-based learning/evaluation program (For example, see [http://archive.elca.org/stewardship/money\\_leadership/index.html](http://archive.elca.org/stewardship/money_leadership/index.html))
4. A financial counselor is matched with the applicant from a list of licensed financial counselors, maintained and updated regularly by the Grant Review Board. The applicant may request another counselor, but this counselor must meet the licensing requirements of the Grant Review Board and have offices within the territory of the synod.
5. The financial counselor will meet with the applicant to review the web-based evaluation and the financial situation of the applicant, to include:
  - a. Management of debt and liabilities – use of credit
  - b. Protecting the future – survivor needs, disability income protection, property and casualty insurance, long term care insurance
  - c. Improving the leader's financial position – setting goals, emergency reserves, record keeping, cash budgeting, cash flow management
  - d. Accumulating assets – regular savings, home ownership, education funding
  - e. Building toward financial independence – retirement benefits and funding, investment management
  - f. Planning intentionally for faithful, first-fruits stewardship motivated by a spirit of Christian generosity
6. From this review, the financial counselor and applicant will together develop: a) a financial plan and b) a plan for developing appropriate financial management skills. The plan for developing financial management skills will be tailored to the specific needs of the rostered leader and will specify the steps and number of planned meetings. The steps may include further web-based learning, attendance at seminars, reading material and/or further meetings between the financial counselor. The financial counselor will be charged with evaluating learning outside the counseling relationship.
7. Upon receipt of confirmation from the financial counselor that the financial plan and skill development plan have been made, the Grant Review Board may approve a grant award in one lump sum or as multiple-year awards, as they deem appropriate.
8. The Grant Review Board may adopt a multi-year award for education debt reduction that increases each year as incentive to the rostered leader to remain within the synod. (For reference, see Eastern North Dakota Synod plan.)
9. Prior to further grant awards in multi-year grants, the Grant Review Board will request from the financial counselor an evaluation of the financial skill development of the applicant, to include both specific progress in areas of weakness and general progress in developing improved overall financial management skills. For this purpose, the financial counselor may be invited by the Grant Review Board for a general consultation (in person or by conference call) on the progress of the applicant. Or a simple written

evaluation form may be used by the Board. (To be developed at the initiation of the Board.) Adjustments or amendments to the skill development plan may be additionally required of the applicant by the Board before further grant approval. Leaders not making sufficient progress in completing their personal plans may receive a reduced grant or no further grants.

10. Expenses to develop the plans, including materials and normal travel related expenses, are submitted by the financial counselor and paid directly from the fund as part of the grant award. Reasonable reimbursable expenses incurred by the applicant to develop and implement the plan are approved in advance by the fund chair and also paid from the grant award.
11. All grant awards are paid directly to institutions (i.e., the holder(s) of debt, sponsor of continuing education, or pension investment agency), and not to the grant applicant.
12. The Grant Review Board has final authority for approval, reduction, or denial of all grants.

## X. Expected Outcomes & Challenges

### INTRODUCTION

From the initial meeting of the diversely talented persons assembled to respond to the *Economic Challenges Initiative*, conversations beginning in statistical trends or financial reports gave way to personal stories of pastoral leaders and congregations whose effectiveness was hampered or even devastated by debt and other economic challenges. As those conversations flowed into the promise and excitement of this *IK Synod Freed to Lead* proposal, it seems fit to articulate our expected outcomes and challenges in a similar kind of narrative:

- + Sarah, 21, was not only the first in her family to attend college, but was the first National Merit Scholar from her rural High School to receive multiple full-ride scholarship offers. Long bearing her community's "best and brightest" hopes, she, now in her college senior year, is mulling fellowship offers to various law schools. Her own brightest hope, however, has always been to be a pastor. But just as with college, because of finances, seminary had been a dream – until her pastor, on her last visit home, had placed in her hands a *Freed to Lead* brochure...
- + Like Sarah, Kurt, 39, had felt the call to ministry his whole life. A small business, a marriage, three kids and a mortgage had relegated those dreams to fantasy. As a congregational leader, however, he attended an IK Synod Assembly where a second-career pastor credited something called *Freed to Lead* with changing his life. Later in the hallway, heart pounding, he dialed his wife's cell phone....
- + Jay, 71, and Carol, 68, were members of a small church in southwest Indiana that had been their extended family for literally their whole lives. Finally giving in to their son's pleas to sell their farm and move close to him in Arizona, they spoke to Mary, the *Freed to Lead* Development Director, over coffee at the town café: "*I've seen huge estate gifts like we want to give kill little churches like ours,*" Jay said to Mary. "*That's the last thing we want to do. But we've had 5 different pastors over the past 8 years...each one would've stayed if they could, but they just couldn't afford to. Carol and I see this Fund as a way to free Pastors from financial chains to serve parishes like ours. Like you said at the Synod workshop, this Fund will also help little churches like ours see their own resources aren't so little after all. They'd never learn the joy of that if we just left the farm to them.*"

This proposal understands that not all educational debt, let alone every other economic challenge facing rostered leaders in the Indiana-Kentucky Synod, will disappear in the next four years. But like any effective grant, we believe *Freed to Lead* will not only change the lives of selected individuals, but by the power of their stories, a new vision of shared responsibility for the health of our church's leadership and the critical vitality of all our congregations will emerge.

WE THEREFORE EXPECT THE FOLLOWING SPECIFIC OUTCOMES from the establishment of the Freed to Lead Fund.

**1. For rostered leaders:**

- Personal renewal from greater congregational and synodical support
- Increased financial support for seminary education
- Increased capabilities in personal financial management
- Significant reduction of financial burdens that negatively impact ministry
- An eventual shift in focus from debt relief to full education support

**2. For congregations:**

- A new awareness of needs for training and support of rostered leaders
- Greater congregational participation in support for the training of rostered leaders
- Improved financial support for rostered leaders (compensation, pension, debt, etc)
- Improved stewardship and financial management skills for congregations
- Greater connection of congregations within the wider church
- Renewed congregational ministry as a result of renewed rostered leaders

**3. For the Indiana-Kentucky Synod:**

- Attract greater numbers of gifted people to ministry
- Greater participation with congregations & rostered leaders in support of ministry
- Become a model for the whole Church on holistically addressing financial needs for training and support of rostered leaders
- Increased energy from newly created networks within the ELCA and with the wider Church

**4. For the Evangelical Lutheran Church in America:**

- The potential of all of the above to occur throughout the whole ELCA

**Anticipated challenges to the establishment of the Freed to Lead Fund:**

- The current culture in congs with regard to stewardship & pastoral support
- Current economic anxieties (2008)
- Competing capital campaigns (e.g., Lutheran Outdoor Ministry)

**Anticipated challenges to the process of educating congregations to the need:**

- Perceived scarcity in a Church blessed with abundance
- “We’ve never done it that way before”
- Getting to the person in the pew and the lay leadership
- People being more willing to support scholarships for training than relief for debt

**Our non-negotiables:**

- Addressing the systemic issues as well as the financial
- Granting of funds tied to individual financial counseling
- Congregational participation in all grants

## XI. Evaluation & Measures

The following areas of evaluation are anticipated, with primary questions, measures and responsibility for evaluation indicated.

### A. Rostered Leaders & Congregational Support

Primary Questions:

1. Has the program improved the financial situation of the individual leader?
2. Has the program impacted positively on ministry?
3. Has the program improved congregational participation in pastoral support?
4. Has the program had an impact on the retention of rostered leaders: a. in the synod and b. in ministry beyond five years?

Measures:

1. All grant applications will include baseline information on each applicant's:
  - a. Personal financial situation
  - b. Money management skills
  - c. Impact of finances on ministry
  - d. Level of congregational financial support with regard to compensation when compared to synod compensation guidelines
  - e. Level of congregational financial participation in the grant program (i.e. matching funds, additional support for debt relief, other contributions to the fund, etc.)
2. All multi-year applications will include a revisit of these same questions.
3. All single year applications will include a follow up questionnaire revisited these same questions after 1 year and after 3 years.
4. A record of the number of synod-wide workshops and congregational workshops by financial counselors will be maintained.
5. The Office of the Bishop will continue to keep records on retention and movement of rostered leaders in the synod as it currently does.

Responsible for measurement:

1. Grant Review Board will maintain records for the measures 1-4 above and annually report them to the Leadership & Development Board.
2. The Office of the Bishop will share information on retention and movement of rostered leaders with the Leadership & Development Board.
3. The Leadership & Development Board will review the evaluations and report these annually to the Synod Council and to Lilly Endowment (i.e., for the four years of Lilly's grant program).
4. After reviewing the data, both Boards will make recommendations for improvement to the evaluative method as seems appropriate.

### B. Seminary Education

Primary Questions:

1. Has the program improved the level of scholarship support for seminarians?

2. Has the program reduced the average level of education debt of seminarians at graduation?
3. Has the program increased the level of congregational support for seminary education?
4. Has the program improved the financial skills and planning of those in seminary?
5. Has the program had an impact on the number of people entering seminary?

Measures:

1. All applications to the Candidacy process will include a credit report and a report of financial situation/debt at the beginning of the process.
2. A record of congregational financial support for each seminarian will be kept.
3. Each annual review of the seminarian by the synod Candidacy Committee will include a written review of measures 1-3, to be submitted to the Grant Review Board.
4. All seminarians in the Candidacy process will be matched with a financial counselor for a baseline evaluation of personal financial situation and money management skills.
5. A record of scholarship grants will be kept each year.
6. The synod Candidacy Committee will continue to maintain records of recruitment and enrollment of candidates to seminary.
7. Upon graduation, each seminarian will be asked to fill out an evaluation form asking about financial situation and impact of the program on their seminary education.

Responsible for measurement:

1. The Grant Review Board will work with the synod Candidacy Committee to do initial financial evaluation of applicants and match candidates with a financial counselor, providing forms to the committee as needed.
2. The Grant Review Board will also provide the graduation evaluation form.
3. The synod Candidacy Committee will share information gathered during the Candidacy process with the Grant Review Board for the above measures, including enrollment statistics.
4. The Grant Review Board will annually report information gathered from the above measures to the Leadership & Development Board, who will in turn annually report these to the Synod Council and to Lilly Endowment (i.e., for the four years of Lilly's grant program).
5. After reviewing the data, both Boards will make recommendations for improvement to the evaluative method as seems appropriate.

### **C. Capital Campaign**

Primary Questions

1. Has the Capital Campaign met its annual goals?
2. Has the Fund Raiser been effective in his/her work?
3. Has the Capital Campaign been effective in raising awareness of the need within the church?

Measures:

1. Records will be kept of potential and actual donors, both individuals and churches during the Campaign.
2. Dollars raised will be compared with the goals established by the Planning Task Force in the Fund budget.

3. The Fund Raiser will have an annual job review.
4. Records will be kept of all publicity efforts relating to raising awareness of the need and the numbers of congregations contacted, tallied annually.

Responsibility for measurement:

1. The Leadership & Development Board will be responsible for all measures listed above, including oversight of the Fund Raiser and his/her annual review.
2. The Leadership & Development Board will report annually to the Synod Council and to Lilly Endowment (i.e., for the four years of Lilly's grant program).
3. After reviewing the data, the Board will make recommendations for improvement to the evaluative method as seems appropriate.

### **Review and Revision of Evaluation Methods**

Review and revision of evaluation methods are encouraged by Freed to Lead Fund administrators as seems appropriate as the development of the Fund occurs. For guidance, administrators should refer to *Projects that Matters: Successful Planning & Evaluation for Religious Organizations* by Kathleen A. Cahalan (Alban Institute 2003).

### **Evaluation Consultant**

In addition, to the above, the Fund Executive Committee will enlist the work of a consultant provided free of charge by Lilly Endowment during the four years of the grant program for the further development and review of the evaluation and measures listed.