



District & Congregational Services

The Lutheran Church—Missouri Synod

***Church Recognition of Lutheran
Recognized Service
Organizations***

**District and Congregational Services
The Lutheran Church—Missouri Synod**

1333 S. Kirkwood Road
St. Louis, MO 63122-7295

Rev. May, 2003

I. INTRODUCTION

This document, "Church Recognition of Lutheran Recognized Service Organizations," is intended to help the Board for District and Congregational Services (BDCS) and any service organization that applies to it for "Recognized Service Organization" (RSO) status. It seeks to explain the meaning of church recognition, the procedures for becoming an RSO, the criteria for recognizing such status, the ongoing responsibilities of both the church and the RSO, and the Letter of Agreement to maintain RSO status.

This document has been approved by the BDCS and is in compliance with the policy statement of The Lutheran Church—Missouri Synod (LCMS) Board of Directors. The final decision to grant and maintain recognition for an applying organization rests with the BDCS.

For the purposes of this document, an RSO is a Lutheran not-for-profit, tax-exempt service organization that exists to extend the mission and ministry of Synodical congregations and acts in harmony with the purposes and programs of the BDCS. As such, an RSO is described in and subject to the conditions and policies set forth in Bylaw 13.03 of the Synod:

13.03 Recognized Service Organizations

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

II. POLICY STATEMENT OF THE LCMS BOARD OF DIRECTORS

Board of Directors Policy Manual

5.8.12 Agency Policies

Date: March 1, 1997

5.8.12 GRANTING OF RECOGNIZED SERVICE ORGANIZATION STATUS BY AGENCIES OF THE SYNOD

Bylaw 13.03 provides for granting "Recognized Service Organization" (RSO) status to service organizations that extend the mission and ministry of the Synod but are not part of the Synod as defined by its Constitution and Bylaws. Recognition of a service organization signifies that the ministry of the RSO fosters the mission and ministry of the church. Through recognition, the Synod affirms that an RSO meets criteria established by the operating boards of the Synod that are in compliance with the policies for common criteria adopted by the Board. While requests for RSO status are made to the board of the Synod to which the organization desires to relate, Bylaw 13.03 provides for the Board adopting common policies for granting RSO status. These common policies must be followed in addition to Bylaw 13.03 and the policies of the respective boards.

As a service to its districts, congregations, and people, the Synod's recognition of a service organization witnesses to the public accountability of the RSO and commends the RSO as an independent, responsible corporate ministry that is not a part of the Synod's constitutional structure. At the same time, recognition seeks to protect the Synod by disavowal of any part in the governance or policies or programs of a service organization. The granting of RSO status by an operating board of the Synod does not imply accreditation or certification of an RSO or its programs. THE LCMS makes no representations or guarantees about the fiscal solvency or financial responsibility of any recognized organization or for any services expressly or implicitly offered by it.

In order that Synod's recognition of service organizations can be of maximum benefit to the church, the Board, in conformity with Bylaw 13.03, has adopted the following common policies:

5.8.12.1 Operating boards shall assure that service organizations considered for Recognized Service Organization status shall do the following:

- a. Foster the mission and ministry of the church and engaged in program activity that is in harmony with the program of the board.
- b. Identify with the mission and ministry of the Synod but not be a part of the Synod's constitutional structure.
- c. Respect and not act contrary to the doctrine and practice of The Lutheran Church—Missouri Synod (LCMS) as set forth in the Scriptures and the Lutheran Confessions and the applicable resolutions of the Synod.

- d. Provide assurance of Internal Revenue Code Section 501c(3) tax exemption.
- e. Establish and/or maintain a policy to limit fund-raising costs related to receipts.
- f. Operate under the governance and policies of their own boards with freedom and self-determination as ministry organizations independent of the Synod or Districts or congregations of the Synod in the establishment and evaluation of their own objectives, activities, and programs, in organization and administration, and in financial matters.
- g. Provide for appropriate LCMS representation of their governing boards, especially with respect to inter-Lutheran and/or interfaith organizations.
- h. Provide that, in the event of a dissolution of the corporation, the residual assets shall be distributed to another not-for-profit organization with 501 (c) (3) status. (Previous covenants and agreements made with other organizations or communities will be honored as part of the commitment of the organization.)
- i. Provide an annual, independent audit, preferably by a certified public accountant.
- j. Include in the organization's governing documents provisions that recognition by the Synod (i) is not an endorsement of the fiscal solvency of the organization, nor of services or programs offered by the organization and (ii) does not express or imply endorsement of the fiscal solvency of the organization, or synodical responsibility for the debts or other financial obligations of the organization. Each board granting Recognized Service Organization status shall, by policy, establish the wording and content of such provisions subject to approval by Synod's legal counsel.
- k. Sign a mutual letter of agreement by which the organization agrees to comply with the requirement stated in Bylaw 13.03, this policy and of applicable policies of the board granting Recognized Service Organization status upon 90 days notice by the board and shall require the organization to include a disclaimer of financial responsibility for the obligations of the organization in all agreements or other documents creating secured indebtedness of the organization or general obligation financing (such as promissory notes, bond issues or other financing agreements) in excess of 10% of the assets of the corporation as evidenced by its most recent audited financial statement. Such disclaimer shall read as follows:

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

- I. Include in a letter of agreement a provision by which the organization agrees to indemnify and defend the Synod against lawsuits and claims against the Synod resulting from or arising out of the Synod's recognition of the organization. Such provision shall read as follows:
(RSO) agrees to defend, indemnify and hold harmless the Lutheran Church—Missouri Synod, its districts and other integral components, together with the officers, directors and employees of each such organization from any and all liability, loss, damage or costs, including attorneys' fees, they, or any of them, may suffer as a result of claims, demands, actions, costs or judgments arising against any of them in any way relating to (RSO) or arising by reason of the Synod's recognition of (RSO) as a recognized service organization of the Synod, including, without limitation, claims asserting that (RSO) is controlled or endorsed by the Synod or that the Synod negligently granted or maintained the recognized service organization status of (RSO) or failed to properly monitor the actions and undertakings of (RSO).

5.8.12.2 Decisions to grant, deny, or terminate recognition shall be reported for information purposes in the operating board's regular activity report to the Board of Directors of LCMS. Reports on Recognized Service Organizations to the conventions of Synod will be made through the appropriate board.

5.8.12.3 Operating boards shall adopt policies to inform service organizations that the Synod grants to Recognized Service Organizations the following privileges:

- a. Eligibility of ordained and commissioned ministers of the Synod serving Recognized Service Organizations to remain on the membership rosters of the Synod as "active members," if otherwise eligible under Bylaw 2.15, j.
- b. Eligibility for obtaining church extension loans from the Lutheran Church Extension Fund—Missouri Synod, unless the policies of LCEF preclude the organization as an eligible borrower.

- c. Eligibility to be an "employer" under the various Worker Benefit Plans of the Synod unless the policies of such a plan preclude the organization as an eligible employer.
- d. Eligibility to utilize certain gift planning and trust services of The Lutheran Church—Missouri Synod Foundation (Bylaw 3.605).

5.8.12.4 Operating boards shall list Recognized Service Organizations in *The Lutheran Annual*. The listing shall be prefaced by a statement that recognition is not a guarantee on the part of the Synod for the fiscal solvency of the Recognized Service Organization and the Synod has no financial responsibility for a recognized organization or for services expressed or implied.

5.8.12.5 Operating boards shall report to the Board of Directors their policies and criteria which shall be in compliance with the above common policies and also any policies and criteria adopted by the boards to assure that their unique needs are met.

III. MEANING OF CHURCH RECOGNITION

Article III of the Synod constitution lists as its objectives:

1. *Conserve and promote the unity of the true faith (Eph. 4:3-6; 1 Cor. 1:10), work through its official structure toward fellowship with other Christian church bodies, and provide a united defense against schism, sectarianism (Rom. 16:17) and heresy;*
2. *Strengthen congregations and their members in giving bold witness by word and deed to the love and work of God;*
3. *Recruit and train pastors, teachers and other professional church workers and provide opportunity for their continuing growth;*
4. *Provide opportunities through which its members may express their Christian concern, love and compassion to meet human needs;*
5. *Help congregations develop processes of thorough Christian education and nurture and to establish agencies of Christian education such as elementary and secondary schools;*
6. *Aid congregations by providing a variety of resources and opportunities to recognize, promote, express, conserve, and defend their confessional unity in the true faith;*
7. *Encourage congregations to strive for uniformity in church practice, but also to develop an appreciation of a variety of responsible practices and customs that are in harmony with our common profession of faith.*
8. *Provide evangelical supervision, counsel and care for pastors, teachers and other synodical professional church workers in the performance of their official duties;*
9. *Provide protection for congregations, pastors, teachers, and other church workers in the performance of their official duties and the maintenance of their rights;*
10. *Help provide for the welfare of pastors, teachers and other church workers and their families in the event of illness, disability, retirement, special need, or death.*

It is expected that an RSO will uphold these objectives at all times.

The broad functions of the Board for District and Congregational Services are seen as fulfilling these objectives and are stated as follows:

3.823 Functions (Synod Handbook, 2001)

The Board for District and Congregational Services exists to enable vision and outcome development, to prepare and revise policies responsive to both current and anticipated situations, and to initiate action in order to meet the changing needs of Districts and congregations.

The Board for District and Congregational Services serves with Districts in assisting congregations to develop and foster vibrant ministries to bring the saving, life-giving Gospel of Jesus Christ to the sinful, dying world. The Board shall determine the number and nature of ministry areas necessary to meet expressed District and congregation needs and develop policies to guide the staff in providing assistance in meeting them.

The Board for District and Congregational Services exists to serve with Districts in assisting congregations in arranging and carrying out a comprehensive and effective program of Christian education, especially counseling that the most effective education agencies available to the church for equipping children and youth for ministry are the Lutheran early childhood centers and

full-time Lutheran elementary and secondary schools, so that the Gospel of Jesus Christ may become even more effective in the life of the individual Christian and of the congregation.

The board designates its ministry areas (including children, family, outreach, school, stewardship and youth) before each synodical convention. An RSO is expected to act in harmony with one or more of these service areas.

Recognition affirms publicly that the RSO's ministry is consistent with the Synod's ministry and with the functions and programs of the BDCS. Recognition witnesses to the public accountability of the RSO and commends the RSO as an independent, responsible corporate ministry that is not part of the Synod's constitutional structure.

Recognition establishes a responsible relationship through which the Synod may provide the RSO consultation and technical assistance, insurance and retirement programs, assistance in recruiting and training of personnel, coordination in planning strategies with districts and the church at large and co-sponsorship of special projects and conferences. Recognition seeks to protect the Synod by disavowal of any part in the governance, policies or programs of the RSO. The granting of RSO status by BDCS does not imply accreditation or certification of an RSO or its programs.

In accepting recognition, the RSO commits itself to uphold a mutual letter of agreement with the BDCS, to welcome consultation and monitoring that supports the ministry of the Synod and the service areas of the BDCS, and to work with the BDCS to strengthen the mission and ministry of the Synod and its congregations.

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For more information about the work of the BDCS and its Ministry areas, contact the Executive Director, Board for District and Congregational Services, 1333 S. Kirkwood Road, St. Louis, MO 63122: (314) 965-9917, Ext. 1732, or 800-248-1930; FAX (314) 965-7649; E-mail, LeRoy.Wilke@lcms.org. The Executive Director may designate another staff person in a related ministry area to relate to the applying organization in all procedures thereafter.

IV. PROCEDURES FOR RECOGNITION

A. Request for Recognition

A written request is to be sent to: Executive Director
Board for District and Congregational Services
1333 S. Kirkwood Road
St. Louis, MO 63122

The applicant should include the following documents:

1. The official action of the proposed applying organization's board requesting "Recognized Service Organization" status. Include the date and a copy of the minutes.
2. A description of the organization's mission or purpose statement, goals/objectives and programs/services.
3. Copy of the Articles of Incorporation and Bylaws.
4. A description or policy statement of how the organization operates.
5. A copy of the Internal Revenue Service document classifying the organization as a not-for-profit 501(C)(3) organization.
6. A description of the corporate membership of the organization.
7. A copy of the latest audited financial statements and budget.
8. Any other helpful information.

The BDCS Executive Director will assign a staff person to the application. This staff person will be in touch to answer any questions about the above documents.

B. BDCS Contact with the District

Following receipt of the request for recognition, the BDCS will request the president(s) or his designee of the appropriate district(s) to share information, to cooperate in study of the applying organization, and to submit its endorsement for RSO status. RSO Status will not be granted without district endorsement.

C. Study and Decision

1. The BDCS may request additional documents or arrange for a personal or on-site visit with representatives of the applying organization and appropriate district(s) to gain more information for its study. After the study is completed, the Executive Director will make a report concerning the status of the applying organization to the BDCS.
2. Additional procedures for Lutheran camps seeking recognition: In consultation with the district and the National Lutheran Outdoor Ministry Association (NLOMA), the BDCS staff member will explain this "Church Recognition of Recognized Service Organizations" document, answer questions and indicate the willingness of the BDCS and NLOMA to work with the organization. After BDCS receives the written request for recognition status, it shall consult with the district and NLOMA. After the BDCS completes its review of the findings of the district and NLOMA, it will make its decision regarding status.
3. The effective date of the recognition will be the date when the "Letter of Agreement" will be signed by the applying organization and the BDCS.

D. Provisional Recognition

1. Provisional Recognition may be granted to an applying organization that generally complies with the criteria for recognition but needs time to adjust policies and structures to conform with the criteria. The BDCS may grant such provisional recognition for a period of one year. To initiate Provisional Recognition status, follow the Procedure for Recognition.
2. At any time during the provisional status, the applying organization may submit documents to the BDCS that shows all criteria for recognition have been met. The BDCS will decide to grant or deny full recognized status.
3. If a provisional RSO has not complied with all criteria for recognition within one year of the granting of provisional status, the BDCS will either discontinue or extend the provisional recognized status. A request for extension shall be in writing from the provisional RSO.

E. Requests for Exceptions

Requests for exceptions will be considered by the BDCS individually. Requests shall be submitted in writing to the BDCS.

F. A Letter of Agreement

The applying organization must sign a mutual Letter of Agreement as set forth in Section VII by which the organization agrees to comply with the requirement stated in Bylaw 14.03, the policy statement of the Synodical Board of Directors and of the BDCS. The agreement shall permit termination of Recognized Service Organization status upon 90 days notice by the BDCS and shall require the organization to include a disclaimer of financial responsibility for the obligations of the organization in all agreements or other documents creating financial obligations. Included in the letter of agreement shall be a provision by which the organization agrees to indemnify and defend the Synod against losses of and claims against the Synod resulting solely from the Synod's recognition of the organization.

G. Ongoing Relationship

Ongoing relationships will be in accord with the responsibilities in the Letter of Agreement.

V. CRITERIA FOR RECOGNITION

A. Provisions to be Complied with in Governing Documents

These provisions apply to primary corporations and not-for-profit subsidiaries and/or affiliate corporations. The RSO, in compliance with the LCMS Board of Directors policy, heretofore listed, shall implement the following provisions:

1. The organization states in its constitution, bylaws and/or public purpose or mission statement, that it respects and will not act contrary to the doctrine and practice of The Lutheran Church—Missouri Synod (LCMS) as set forth in the Scriptures, the Lutheran Confessions and the applicable resolutions of the Synod.
2. A majority of the corporate membership of the organization will be drawn from one or a combination of the following:
 - a. LCMS congregations or an association of Lutheran congregations that includes LCMS congregation(s).
 - b. LCMS district(s) or an association of Lutheran judicatories that include a LCMS district(s).
 - c. The LCMS or two or more national Lutheran church bodies.
 - d. Individual members of Lutheran congregations in regional or national organizations.
3. Proposed changes in the Articles of Incorporation, Constitution or Bylaws of the primary or subsidiary corporation(s) of the applying organization that relate to the criteria for recognition will be submitted to the corporate member(s) for their approval. (Such proposed changes shall be submitted also to the BDCS for review to determine whether the changes affect recognition.) Other proposed changes will be reported and acted upon by the corporate member(s) as provided in the governing documents.
4. A statement that in the event of a dissolution of the corporation the residual assets shall be distributed to another not-for-profit organization with 501(C)(3) status, either:
 - a. by a formula developed by the corporate members to themselves; or
 - b. to another recognized organization.

Previous covenants and agreements made with other organizations or communities will be honored as part of the commitments of the organization.

5. A statement that the corporation itself shall be solely responsible for the management and fiscal affairs of the corporation and for the payment of any debts

and liabilities incurred by the corporation. If the corporation has subsidiaries and/or affiliates, a similar statement must appear in the governing documents of the subsidiaries and affiliates.

6. A provision that recognition by the Synod (i) is not an endorsement of the fiscal solvency of the organization, nor of services or programs offered by the organization, (ii) does not express or imply endorsement of the fiscal solvency of the organization, or (iii) cause the Synod or its districts or congregations to incur or be subject to the liabilities or debts of the corporation and its subsidiaries and/or affiliates.
7. At least a majority of the board of the primary corporation will be members of a Lutheran congregation and elected by corporate members. Should a district require different board membership, it shall reflect its requirements in its study findings and endorsement reported to the BDCS. The balance of the board may be elected by the board itself, with consideration given to specific skills and abilities required to meet the organization's governance needs. The exact percentage of members elected by the board will be determined by the specific needs of the applying organization and consideration of its traditions.
8. The organization will have tax exempt status by obtaining a not-for-profit IRS 501(C)(3) tax exemption.

B. Items to be Provided that Need Not be Required in Governing Documents

1. The organization's board of directors will declare and record its intent as an organization to be recognized by the Synod in accordance with criteria and provisions established by the BDCS.
2. The organization will adopt a mission or purpose statement that will declare its purpose, direct its ministry, and affirm the integral nature of its mission and ministry with that of the church, but that it is not part of the Synod's constitutional structure.
3. The organization will adopt a policy statement that in each bond prospectus and loan document an appropriate notice will be included that this corporation is solely responsible for any and all of its obligations when borrowing funds or otherwise incurring liabilities of any nature for any purpose.
4. The organization will have a reasonable ratio of fund-raising costs to related receipts.
5. **The organization will have an annual, independent audit, preferably by a certified public accountant.**
6. The organization will have policies and procedures designed to ensure that it has sufficient funds to sustain ongoing operations.

7. Operate under the governance and policies of its own RSO boards with freedom and self-determination as ministry organizations independent of the Synod or districts or congregations of the Synod in the establishment and evaluation of their own objectives, activities and programs, in organization and administration, and in financial matters.
8. The organization will comply with requirements for licensure by governmental agencies under whose regulatory powers the corporation functions.
9. When calling LCMS ministers of religion, ordained or commissioned, the organization will respect and not act contrary to the accepted calling policies, procedures and forms of the LCMS.

C. Additional Items to be Provided for Day Care Centers, Early Childhood Centers, Elementary and Secondary Schools

1. LCMS congregations and rostered workers of the institution, through its governing body, are ecclesiastically accountable directly to The Lutheran Church—Missouri Synod through the appropriate LCMS district president(s). (It may or may not be accountable also to other Lutheran bodies not in altar and pulpit fellowship with the LCMS.)
2. The institution, as a ministry in the church, shall strive to call as many ministers of religion, ordained or commissioned, as possible to its faculty, including the administrative head (principal, superintendent, headmaster, executive director, etc.), holding membership in and ecclesiastically accountable to the LCMS.

D. Additional Item to be Provided by an Evangelism-Related RSO

It must have as a primary purpose the training of LCMS members in the work of evangelism.

E. Corporations Eligible for Recognition

Recognition may be granted to an organization and to early childhood, elementary and secondary education institutions owned and operated by more than one congregation (association, consolidation) or incorporated apart from an LCMS member congregation. These criteria do not apply to any Lutheran school owned and operated by a single LCMS congregation. Such schools are automatically recognized by The Lutheran Church—Missouri Synod as part of the ministry of its congregation.

VI. RESPONSIBILITIES OF RECOGNITION

A. Responsibilities on the Part of the LCMS

1. The BDCS agrees to acknowledge its recognition of an organization by:
 - a. listing the organization in *The Lutheran Annual*. (The listing shall be prefaced by a statement that recognition is not a guarantee on the part of the Synod for the fiscal solvency of the RSO and the Synod has no financial responsibility for an RSO or for services expressed or implied.)
 - b. affirming that the organization's program is integral to the church's ministry.
 - c. publicly commending the organization as a responsible corporate ministry recognized by the church.
 - d. giving evidence that the organization is worthy of the support of the Lutheran constituency, communities and governmental agencies.
 - e. interpreting the ministry of the organization to the church and society.
2. The BDCS works with LCMS districts and congregations to plan and coordinate major activities.
3. The LCMS provides for rostering of church professionals employed by RSOs.
4. The LCMS allows RSOs to apply for participation as "employer" in the Worker Benefit Plans of the LCMS, unless the policies of such a plan preclude the organization as an eligible employer.
5. The LCMS allows RSOs to apply for loans from Lutheran Church Extension Fund (LCEF), unless LCEF policies preclude the organization as an eligible borrower.
6. The LCMS allows RSOs to apply for LCMS World Relief Domestic Grants.
7. The BDCS staff offers statistical and program information.
8. The BDCS offers consultative and other services as appropriate.

B. Responsibilities on the Part of the RSO

1. The RSO provides services consistent with the purpose of the corporation and, within fiscal capabilities of the corporation, responds to current needs of the community being served.
2. The RSO shall foster the mission and ministry of the church, engage in program activity that is in harmony with the program of the BDCS and its related ministry area(s), and respects and does not act contrary to the doctrine and practice of the Synod.
3. The RSO publicly acknowledges its LCMS recognized status.
4. The RSO is committed to professional codes of ethics and standards of performance and seeks accreditation for services where accrediting standards exist.
5. The RSO includes in each bond prospectus, loan document and contract a notice that this organization is solely responsible for any and all of its obligations when borrowing funds or otherwise incurring liabilities of any nature for any purpose. It shall maintain a reasonable ratio of fund raising costs to related receipts.
6. The RSO will submit to the BDCS proposed changes in its mission statement or amendments to its articles of incorporation, constitution, or bylaws in the following areas: corporate membership, not-for-profit status, dissolution clause, board election and board membership criteria. The BDCS will advise the RSO whether such change(s) affect(s) the corporation's recognized status.
7. The RSO transmits statistical information and special reports requested by the BDCS.
8. The RSO coordinates employment of LCMS rostered individuals with the appropriate district.
9. The RSO seeks to develop positive relationships with districts and congregations in order to achieve financial support, recruit volunteers, and gain feedback to shape future programs, including cooperative ministry and service endeavors.
10. The RSO provides an annual, independent audit, preferably by a certified public accountant to the BDCS. In the case of day care centers, early childhood centers, elementary and secondary schools, the audit should also be provided to the sponsoring congregation or association.
11. The RSO conducts regular internal program evaluation, personnel performance reviews and planning processes to improve its program activities and the skills of its members. It shall welcome and participate in such reviews that may be conducted by the BDCS or its designee. It may seek the counsel of the BDCS in selecting new RSO leaders.

C. Responsibilities on the Part of the LCMS District

1. Encourage all association schools or other agencies to gain LCMS recognition (RSO status).
2. Advise and assist the school or other agency as it undertakes the RSO process.
 - a. Provide copies of this document for each school association or agency.
 - b. Review the “Criteria for Recognition” in this document and any additional District criteria with the agency leaders.
 - c. Encourage the schools or other agencies to exceed the minimal requirements of the criteria and to stay faithful to their mission and ministry.
3. Develop and require any additional criteria for RSO status that are appropriate for the schools or other agencies in that district.
4. Endorse the school or other agency for RSO status. Such endorsement includes:
 - a. Reviewing the criteria for RSO status.
 - b. Verifying that the school or other agency meets the criteria.
 - c. Verifying that the school or other agency meets any additional criteria established by the district.
 - d. Sending a letter of endorsement for RSO status to the Board for District and Congregational Services.
5. Monitor the school or other agency and its staff to ensure the school or other agency:
 - a. Identifies with and fosters the mission and ministry of the LCMS.
 - b. Engages in program activity that is in harmony with the LCMS.
 - c. Respects and does not act contrary to the doctrine and practice of the LCMS as set forth in the Scriptures, the Lutheran Confessions and the applicable resolutions of the Synod.
 - d. Resolves issues that may affect its RSO status.
 - e. Has received the encouragement and help it desires from the district.
6. Inform the Board for District and Congregational Services if the school or other agency fails to abide by the “Criteria for Recognition” and/or does not carry out

the “Responsibilities of Recognition” identified in this document, with a recommendation whether or not recognition should be continued for that school or other agency.

7. Encourage schools to become accredited by the National Lutheran School Accreditation.

VII. LETTER OF AGREEMENT

FOR RECOGNIZED SERVICE ORGANIZATIONS OF THE LUTHERAN CHURCH—MISSOURI SYNOD (THROUGH THE BOARD FOR DISTRICT AND CONGREGATIONAL SERVICES)

The Board of Directors
The President/Executive Director of
[Recognized Service Organizations]

Dear _____:

We are pleased to inform you that the Board for District and Congregational Services of The Lutheran Church—Missouri Synod has granted (provisional) "Recognized Service Organization" status (for a period of one year) to (RSO).

The Lutheran Church—Missouri Synod recognizes the ministry of (RSO) as one in harmony with the Purpose Statement of the Board for District and Congregational Services: "District and Congregational Services serves with districts in assisting congregations to develop and foster vibrant ministries to bring the saving, life-giving Gospel of Jesus Christ to a sinful, dying world." The Board prays for blessings on your ministry and agrees to carry out the "Responsibilities of Recognition" on the part of the LCMS.

The attached document, "Church Recognition of Recognized Service Organizations" (Revised 2002), forms the basis for recognition. LCMS Bylaw 13.03 and the Policy Statement of the BOD describe policies pertaining to Recognized Service Organizations.

In accord with Bylaw 13.03 and the Policy Statement of the Board of Directors of the LCMS, (RSO) agrees to abide by the "Criteria for Recognition of Recognized Service Organizations" and to carry out the "Responsibilities of Recognition" on the part of the (RSO).

The granting of Recognized Service Organization status to (RSO) signifies that (RSO), while independent of the Synod and not a part of the Synod itself, fosters the mission and ministry of the church, engages in program activity that is in harmony with the programs of the Board for District and Congregational Services of the Synod and respects and does not act contrary to the doctrine and practices of the Synod. However, it is understood that the Synod does not control (RSO) and that (RSO) operates with freedom and self-determination, independent of the Synod or any of its districts or congregations in the establishment and evaluation of its own objectives and activities and in its programs, organization, administration and financial matters.

(RSO) agrees to abide by the provisions of the enclosed document, Church Recognition of Recognized Service Organizations, as the same may be from time to time amended by the Board for District and Congregational Services of the Synod. We trust that the Recognized Service Organization appreciates the need of the Synod to be clear about its requirements in all financial matters. The (RSO) shall include the following provisions in its Articles of Incorporation or Bylaws:

The Lutheran Church—Missouri Synod through its Board for District and Congregational Services has granted Recognized Service Organization status to (RSO). In doing so, the Synod does not endorse the fiscal solvency of (RSO) nor its services or programs and does not express or imply responsibility by the Synod for the debts or other financial obligations of the organization.

The (RSO) shall include the following provision in each contract, agreement, instrument or other document creating secured indebtedness or financing (such as promissory notes, bond issues or other financing agreements) obligation in excess of 10 percent of the assets of the corporation as evidenced by its most recent audited financial statement:

It is agreed and acknowledged that the Recognized Service Organization status conferred on (RSO) by The Lutheran Church—Missouri Synod through its Board for District and Congregational Services is not an endorsement by the Synod of the fiscal solvency of (RSO), nor of the services or programs offered by (RSO). By recognizing the (RSO) as a Recognized Service Organization, the Synod does not undertake any obligation to repay or guarantee (RSO)'s debts and other financial obligations.

(RSO) shall provide on an annual basis, an independent audit of its financial statements, preferably by a certified public accountant.

(RSO) agrees to defend, indemnify and hold harmless The Lutheran Church—Missouri Synod, its districts and other integral components, together with their officers, directors and employees from any and all liability, loss, damage or cost (including attorneys' fees) they, or any of them, may suffer as a result of claims, demands, actions, costs or judgments arising against any of them in any way relating to the RSO and arising by reason of the Synod's recognition of the RSO as a Recognized Service Organization of the Synod, including, without limitation, claims asserting that the Recognized Service Organization is controlled or endorsed by the Synod or that the Synod negligently granted or maintained the Recognized Service Organization status of (RSO).

Proposed changes in the governing documents of the (RSO) that relate to the Criteria for Recognition shall be submitted to the Board for District and Congregational Services to determine whether the changes affect recognition.

BDCS reserves the right to change its criteria for recognition of Recognized Services Organizations at any time in its sole discretion and to require, as a condition of continued recognition that (RSO) complies with criteria change. The BDCS shall notify the (RSO) of any such changes.

This agreement may be terminated by (RSO) with 60 days written notice to the Board for District and Congregational Services or by the Board for District and Congregational Services with 90 days written notice to (RSO). Upon the effective date of the termination of Recognized Service Organization status, (RSO) shall cease holding itself out as a Recognized Service Organization of the Synod, including the use of any written, electronic, or other communications or written material.

Please sign both copies of this letter, thereby signifying (RSO)'s agreement to its provisions and return one copy to us.

Yours in Christ's Service,

Executive Director
Board for District and Congregational Services
for The Lutheran Church—Missouri Synod

Authorized Signature
Board of Directors
(RSO)

Date of Board Action

Date of Board Action

VIII. TERMINATION OF RECOGNITION

A. Termination by the BDCS

When a Recognized Service Organization fails to abide by the "Criteria for Recognition" or to carry out the "Responsibilities of Recognition" as stated in the "Church Recognition of Lutheran Service Organizations" document and the Letter of Agreement, its RSO status may be terminated by the BDCS in accord with the policy of the LCMS. The BDCS shall notify the RSO at least 90 days before the intended action to allow the organization an opportunity to seek a continuation of its RSO status.

B. Termination by an RSO

The organization may terminate RSO status through action of its corporate membership. If such action is under consideration, the proposed resolution for termination of RSO status will be submitted to the corporate members and to the BDCS at least sixty 60 days before the intended action.