

CORRELATIONS

LEADER'S THOUGHTS: FIEDLER ON ROLE OF FOUNDATION

As my second term as President unfolds, I remain grateful for the visionary leaders who established our LCMS Foundation to serve all the ministries of the Lutheran Church—Missouri Synod.

Six decades later, our footprint and the awareness of the opportunity we present is not as well known within our church body as we would like. What is significant about that is that many leaders within affiliated ministries aren't aware of how our charitable expertise and resources can benefit their own mission's vitality.

The LCMS Foundation was formed to help sustain ministries of the LCMS as a partner in carrying on charitable work in agreement with the principles of the LCMS. Governed by a Board of Trustees who are LCMS members, we are chartered to accomplish four primary outcomes:

First, your LCMS Foundation was formed by the Synod in 1959 as a distinct,



David Fiedler

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TRAINING CALENDAR: *free, practical learning & application!*

Consider attending the LCMS Foundation free three day Lifetime Plan for Giving gift planning training course. You will be amazed at the value in developing your confidence and competence in serving God's people and her ministries. Leave with a binder packed full of practical resources that you can put into practice today.



Dates

Location

- **May 21-23, 2019**, St. Louis, LCMS International Center (IC)
- **September 17-19, 2019** Minnesota So, District Office, Minn.

FREE registration is required for each training course. Click here to register: <http://www.lcmsfoundation.org/training-registration/>

IN THE LIMELIGHT: ASSOCIATE COUNSELOR REV. CHARLES OLANDER AND GIFT PLANNING COUNSELOR SCOTT RADDEN

In 2008, former LCMS Foundation (LCMSF) Gift Planning Counselor Dave Rohe met with (Martin and Mary*) in a rural town in Central Illinois to help them prepare their charitable gift plan.

Martin and Mary were blessed with a successful business that originated as a hobby but grew into a multi-million-dollar endeavor. Their business success allowed them to diversify assets over time with farmland near their home. At that time, the

estate they managed was valued at nearly \$15 million.

Having no children of their own, ministries of the LCMS became their passion. Working with Rohe and their attorney, they established an endowment fund to benefit several national ministries from their estate in addition to gifts for their local congregation.



Rev. Charles Olander



Scott Radden

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BEST PRACTICE: NON-CASH ASSETS AS KEY TO INCREASED INCOME FOR MINISTRY ORGANIZATIONS

Teaching donors to give from assets is crucial to a nonprofit ministry. New research from charitable organizations across the U.S. verifies non-cash gifts predict long-term funding growth in nonprofit organizations at every level.

- During a five-year period, nonprofit organizations that consistently received gifts of assets grew their contributions six times faster than those that received only cash.
- Pursuing asset gifts can generate immediate tax benefits for donors, as well as long-term fundraising growth benefits for the organization.

Donors who have never made an asset gift may simply never have considered giving from wealth rather than giving from spare income. The reason for this is likely due to a lack of information on the opportunity cost and their ability to give. This knowledge impacts a charitable gift.

- Wealth is not held in cash. Census bureau estimates suggest that only about 3% of household wealth is held in cash and checking accounts. When charitable organizations ask for cash, they are asking from the “small bucket.”
- The same gift may seem ridiculously large when compared to other checkbook purchases (elective expenditures from spendable income), but quite small when compared with total wealth (other non-cash assets).
- Findings from experimental research demonstrate that people are more willing to make charitable donations from irregular, unearned rewards (such as might occur with an appreciated asset) than from regular work earnings.

Research Source: Extracted, condensed and edited by Phil Meitzen from research provided by Professor Russell James, Director of Graduate Studies in Charitable Financial Planning at Texas Tech University as reported from tax returns of U.S. citizens and charitable organizations from 2011-2016.

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but affiliated corporate entity to encourage and provide guidance, support and information in the making of planned charitable gifts. We also provide expertise and training for promoting, processing and the use of planned giving.

Second, our role also works to safeguard, administer and manage current and future gifts from assets, according to the intent of donors.

Third, our charter, given to us by the church body, is to receive, strategically invest, administer, and dispose property of all kinds for the advancement, endowment and maintenance for any of LCMS affiliated ministries.

Fourth, we are charged with promoting planned giving and training and equipping others to do this work in whichever part of the church they serve.

Looking at it another way, we exist to provide comprehensive and trustworthy charitable expertise, services and resources for all the ministries within the LCMS, including national and global ministries. Our unique service encourages stewards of the Church to plan and direct their passion to give to family and any ministry(s) God places in their hearts.

As you read through this issue of Correlations, you will begin to see a glimpse of a much bigger picture that can collaborate with your mission and vision. I look forward to hearing from you.

IT FOCUS: AGING YOUR AUDIENCE DATA LIST

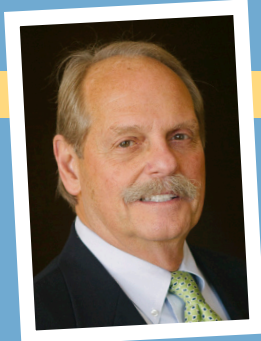
Does your ministry organization age its constituent lists in the data management system?

In decades past, this data factor may have been considered an optional luxury and many grass-roots organizations do not have a mechanism to collect such information. Segmenting your audiences for planned giving elevates age to one of the most significant factors.

Supporters who are 70 or older won't be with you as long. Many of them have a unique interest in leaving a Lutheran legacy through your mission. Younger people think differently and have different expectations than people of other ages. People in the in-between ages may have unique ability to partner missionally.

The key process in developmental stewardship involves managing the relational aspects of your audiences and the ways they are linked to the mission of your organization. Relation linkage is the most important aspect related to mission and ministry vitality and funding.

Since we were brought into a relationship to God through Christ, let this encourage you to resolve and build a way to age your lists with strategic intention so your contributors linkage to the mission of our Lord through your organization builds.



With 20 years of service, Rich Paul provides mentoring to the LCMS Foundation national gift planning counselors. A former financial and estate planning specialist, he has attained several investment and planning licenses and certifications. You can reach him at Rich.Paul@lcmd.org or (716) 870-5546 ext. 17.

RESOURCES IN A BOX PROMOTION WITHIN CONGREGATIONS

Rich Paul, Vice-President-Gift Planning Services is responsible for counselor performance and training. We asked Rich to answer a few questions about how our Gift Planning Counselors promote their services within the congregations they serve.

Q. How do counselors make themselves known when they begin work in a region?

A. Initially, our counselors contact local and district leaders. This might include the district president to learn about congregations that would be candidates for our services. They also learn to know the LCEF leaders for collaborative opportunities.

As often as possible, counselors work to gain an invitation to pastor conferences / circuit visitor meetings, and conventions. They visit with organizational leaders at congregations and ministries. They also invite leaders to hear the message of the LCMS Foundation and its services. This might be pastors, stewardship leaders and endowment boards.

Q. When the Counselor obtains permission to work within a

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Ten years later in June 2018, LCMSF Associate Counselor for the LCMS Central Illinois District, Rev. Charles Olander, and LCMS Foundation Gift Planning Counselor Scott Radden met with this couple again.

After exploring the Couple's ten-year-old plan, Scott and Chuck assessed the assets and material facts, which gave them a clearer view of their current situation. The couple's assets had increased to over \$36 million with a broader appreciated real estate portfolio.

Recognizing God's blessings and grace, these stewards find joy in giving during their lifetimes. They are confident that their giving will continue after they are called home to their richer heavenly estate.

"We proposed a Donor Advised Fund (DAF)" said Scott. As an easy way to provide funding for ministries that they intend to bless currently. The DAF was funded with \$200,000 in 2018 to take full advantage of the charitable tax deduction in that tax year. These DAF funds will be distributed over time to ministry as the donors advise.

Chuck reports, "An emerging plan applies these funds to encourage Lutheran schools for long-term, future endowment funding." DAF donors can donate additional funds at any time and allows donors to watch with joy how God blesses the fund distributions.

Our Gift Planning and Associate Counselors often have opportunity to serve generous stewards whether the estates they manage are valued at \$3,000 or \$36 million. The amount does not matter. Blessings that flow from God's gracious gifts are the true reward. "While donors do not get to see how their estate gifts benefit God's Kingdom on earth, we partner with them to accomplish their goals to further God's work," recalled Scott. Praise God from whom all Blessings flow!

*Names have been changed to provide privacy.

FEATURE GIFT PLANS: TRANSFERRING U.S. SAVINGS BONDS TO MINISTRY

With the World War II generation leaving us, U.S. savings bonds may not be available much longer as a gifting opportunity. However, for a steward who has substantial accumulations of untaxed interest on savings bonds, a transfer at death to a charitable organization or ministry provides a way to accomplish specific charitable purposes that were important to the individual at the lowest tax cost.

An after-death transfer to a charitable remainder trust can do the same and provide greater income to non-charitable beneficiaries. To accomplish these objectives, the will should have provisions to avoid having the interest income taxed to the estate, or in the alternative, assure that the estate will be entitled to claim an income tax deduction for the charitable use of the bonds.

Similar results apply for all other sources of Income in Respect to the Decedent (IRD), such as retirement plan distributions, installment sale obligations and others. These are the best assets to transfer at death to a charitable organization or a charitable remainder trust so that greater amounts of non-IRD assets can pass to family members. Contact a Gift Planning or Associate Counselor for donor support (800) 325-7912.

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congregation or affiliated ministry organization, what activities do they offer, and why?

A. Counselors lead orientation sessions for leaders and offer presentations on a variety of topics for members. We work to be trustworthy and accepted within the ministry organization.

The LCMS Foundation can customize communication materials for the ministry and provide weekly bulletin inserts and monthly articles for ministry newsletters to help build a gift planning presence. We are often invited to place our materials in the narthex or to be distributed to specific audiences or provide videos for pre-service, website and small group viewing. Communication increases awareness and motivates response over time and helps identify people who will benefit from our guidance.

Q. What services do Foundation counselors provide to stewards who desire to create a lifetime plan for giving?

A. Our core service is to sit face to face with people and help them navigate the Lifetime Plan for Giving journey. It's a spiritual process. The counselor will often visit with stewards who have gift plans in place to see if there are updates and or changes that are appropriate

Q. Do Gift Planning Counselors coordinate with professional advisors to serve stewards?

A. Counselors work collaboratively with the professional advisors of the people we serve. To assure that this works smoothly, we often make appointments with known attorneys and financial advisors who advise members. We want the professional to be familiar with our services, so they can support our charitable encouragement and the Lifetime Plan for Giving planning processes.

GOSPEL MOTIVATIONS: GOD IS THE GIVER OF OUR INHERITANCE:

A VISION FOR SERVING GOD'S PEOPLE

We see clearly daily that much of our human interaction is based on a conflict between wills as we stake a claim on what we call "mine," looking from that time to keep other's hands off it, and to add to it by taking what "belongs" to others.

This clash of "mine" focus ruins our relationships, clouds our understanding that we are simply managing God's gifts and makes us stingy. We miss out on the true joy of life which is found in serving with God's gifts, pointing to Jesus as the giver of our salvation, and our true inheritance, His Father's kingdom.

On the night before His cross, Jesus said, *"I have given them the glory that you gave me, that they may be one as we are one—I in them and you in me—so that they may be brought to complete unity. Then the world will know that you sent me and have loved them even as you have loved me."* (John 17)

Our work in the LCMS Foundation probably does not give us enough contact with God's people with His Word to generate this certainty in their hearts that their inheritance with the Father is sealed in Jesus. Yet a donor's understanding of this richness in God's inheritance is essential to the work we do, for true generosity flows only when we are responding to what God give us. In that generosity, gift planning becomes making gifts to family, not parceling out entitlements to them.

Giving gifts to ministry doesn't make it feel like we are robbing family from what is rightfully theirs. In an atmosphere of having been given the Kingdom, all of life is giving, knowing we have been given so much more in Christ. Ours is the kingdom of God.



Rev. Phil Krupski is Senior Vice President of Gift Planning Services for the LCMS Foundation.

ONLINE TRAINING MODULES

Were you aware that the LCMS Foundation has twelve modules for charitable gift development educational development available for FREE on our website?

To find it, use this link:

<http://www.lcmsfoundation.org/media-resources/>

Go to the 'DEVELOPMENT EDUCATION RESOURCES' section and find the modules.



Susan Sehrt Securities & Investment Manager of the LCMS Foundation handles gifts of appreciated securities transactions given to many LCMS ministries through the LCMS Foundation.

CUSTODIAL CORNER: SUPPORT FOR RECEIVING GIFTS OF APPRECIATED SECURITIES

Charitable gifts from appreciated assets are more economically beneficial to donors than gifts of cash. This is so because the donor avoids capital gains taxes upon the gift made prior to the sale. For itemizers they get an addition benefit of deducting the full value of the gift in the year it's contributed.

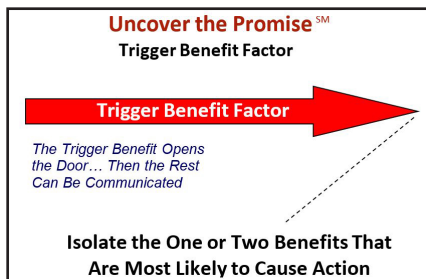
If contributors don't want to change their investment portfolio, rather than donating cash, they can give shares of appreciated stock and then use the cash to immediately purchase identical replacement shares, leaving the portfolio intact, but eliminating all capital gains.

Donors can give shares of appreciated securities and the Foundation will convert the shares to cash then disburse the net proceeds to the designated LCMS entities, thus eliminating all capital gains for the shares gifted.

Most ministry organizations are passive in communicating and encouraging non-cash gifts. Consequently, they don't receive these gifts often. Accepting gifts of noncash assets is safer and easier today than in the past.

Continued next column

HELPING PEOPLE RAISE THEIR HANDS: WHAT IS THE TRIGGER BENEFIT OF YOUR MISSION?



An important factor in communicating the promise of your mission, or its impact in the lives of others, rests with the Trigger Benefit Factor. When organizations seek to get their message across, they hope to penetrate the consciousness of others in the audience.

The trigger benefit question is asked when people are making decisions that intersect with what we are conveying and providing. For example, if you were an auto maker or dealer, you would be interested to know when people are making a decision to buy a car. Since this could happen at any time, auto makers and sellers need to penetrate consciousness all the time. It is no wonder then why they advertise all over the print and television media. However, the church's ministries neither have the financial resources to spend nor does this methodology fit entirely with the individualized and personal character of God in His Word.

For this reason, the Trigger Benefit Factor makes more sense as a matter of stewardship. This factor helps us know that if you isolate the one or two trigger benefits (benefits that are most likely to trigger a response), that you can open the door so that the rest of the message of the fullness of grace that we have in a relationship with Jesus can be communicated or established.

Consider how this applies to ministry. What is compelling and true about us? What differentiates your particular ministry from others?

Custodial Corner Continued

The rules for documenting, valuing, and deducting such gifts are different. For example, not all securities are held and processed the same way.

The LCMS Foundation has an effective process to receive, sell and transfer stocks, bonds or mutual funds to any LCMS charitable organizations. The Foundation charges a fee for this service on a graduated basis with a minimum of \$25. Contact Sue Sehrt at the LCMS Foundation, susan.sehrt@lfnfnd.org or 800-325-7912 ext. 1621. Sue can provide fee information and processing help.

We work with donors for their intent and best interests. Contributors should be encouraged to inform the charitable organization(s) to make the process more timely, efficient and effective for them and for recipient ministries. Although charitable organizations are not required to substantiate the value of gifts made, nor determine cost basis, contributors can contact an LCMS Foundation Gift Planning Counselor to help guide the process. In any event, donors should seek the advice of a tax advisor to determine specific tax consequences of the non-cash assets they intend to transfer.