

## **The Van Lunen Fellows Program Applied School Project**

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From its beginning in 1847, the members of Immanuel Lutheran Church (ILC) have made quality Christian education a priority for children and their families. In the fall of 1848, one year after the charter of the church, Immanuel Lutheran School (ILS) was opened with the mission and purpose of enhancing the religious and moral training begun in the home, to educate the whole child, and to empower children to grow and live as responsible Christian citizens. Today, Immanuel serves a student body of 440 children with 378 children in grades K-8 and 62 children in early childhood programs for 3 and 4 year-olds.

Immanuel Lutheran School is located in the midtown section of the city of St. Charles, Missouri and is best described as serving in an urban setting. The Immanuel campus is located on a city block in a 3-story school facility. Newly expanded early childhood programs are housed on the lower level, lower primary grades are located on the middle level, and upper primary grades and the middle school are located on the upper level. Traditionally, Immanuel's school population consisted primarily of children of the congregation. With outreach becoming more of a focus for the church and school, the school improvement plan is focused on expanding programs in early childhood, before and after school care, marketing, and public relations.

During 159 years of the operation of the school, the leaders of Immanuel have designed and implemented many funding models in order to finance its school ministry. Historically, Immanuel fully funded the school until 1990. When ILC could no longer fully support the school, a tuition model was established. Today, Immanuel continues to support the school with 36% of the school's operating budget. While Christian education remains a deep core value, the present funding model continues to place significant strain on the congregation. When the support of the congregation and tuition did not meet the financial needs of the school, third source funding was established to meet the deficit. Today, the following funding model, with significant dependence on third source funding, is reflective of the financial plan at ILS.

### *Present ILS Funding Model*

Tuition: 51%  
Congregation: 36%  
Third Source: 13%

In 2006, through the accreditation process, a financial goal was developed as part of the School Improvement Plan (SIP). The SIP goal is: *An implemented financial plan provides compensation packages for faculty and staff and secures financial viability for the school's future.* The Van Lunen Fellows applied school project consists of planning the infrastructure for a cohesive development plan as identified in Immanuel's accreditation process. The applied school project addresses the third source funds component of the funding model.

The purpose of the plan is to develop a "clearing house" for all monies raised outside of tuition. This includes the creation of an annual fund, analyzing and incorporating present development activities, and defining the roles and expectations of the professional staff and lay workers of each component of the plan.

### *Project Goals*

1.0 A development model incorporating the financial goals of the school and coordinated with the development initiatives of the church is designed and implemented. (September 2007)

- A grant through *Thrivent Financial for Lutherans* provided for an in-depth evaluation of the financial structure of the church and school. The role of third source funding for both the church and school was explored as a part of this comprehensive analysis.

Result: A team consisting of a lay leader and development consultant was identified and tasked to solicit major gifts to address debt retirement in the church. Secondly, the use of third source funding for the operation of the school was clarified.

2.0 The special education teacher and counselor salaries are returned to budgeted items. (July 2007-2011) Historically, in order to present a balanced budget, line items for the special education teacher and the counselor have been financed entirely through third source funding.

- Tuition fees are assessed to incorporate the raise of teaching salaries by 3% and reduce the dependence on third source funding for the salaries of the special education teacher and counselor by \$20,000.

Result: The voting members of Immanuel approved the recommendation of the Board of Parochial Education to increase the tuition and fees for 2008-09 (based on the 5-year strategic plan). The teaching salaries were raised by 3% and dependence on third source funding for salary line items (counselor and special education teacher) was reduced by \$20,000. As a result, a portion of the monies that were raised for third source funds could be allocated toward other needs for the school.

3.0 An education component for ILC and ILS Boards and lay leaders is developed. (September 2007)

- The goals of the development project are outlined with the President of the Congregation.
- Meetings the Administrative Pastor, President of the Congregation, Director of Stewardship, treasurer, and bookkeeper provided the opportunity to talk about the role of third source funding for the school, the recording of gifts, the allocation of third source monies, the role of tuition, and the process for raising funds for special projects.

Result: Consensus is reached regarding the allocation of matching gifts from corporations. Corporate matches are designated for school programs only.

4.0 An outside audit is scheduled for all church and school accounts. (September 2007)

- The Parish Planning Council tasked the President of the Congregation with overseeing a task force whose role is to secure the outside audit of Immanuel Lutheran Church and School financial records.

Result: While internal audits are conducted regularly, the outside audit is yet to be scheduled.

5.0 A direct mail appeal is sent to all current families in the church and school to generate funds for the *Footsteps to the Future* annual appeal. (October 2007)

- A direct mail appeal (1500 letters) was sent to all current church and school families.
- A systematic method of receiving, acknowledging, and recording gifts of donors was established.

Result: A successful appeal was accomplished through the direct mail appeal.

6.0 A more efficient accounting system for recording gifts is implemented. (November 2007)

- A meeting with professional and lay leaders focused on exploring the feasibility of securing software that could address both the needs of the church and school with the same application.

- The Director of the Board of Parochial Education created an excel spreadsheet that can be used to more accurately record gifts, designations, and notes from donors.

Result: It was determined that it would be too costly to change software systems at this time. The decision was made to continue with both data base systems as they are presently configured.

7.0 A process to identify, recruit, and train volunteers to work with clerical details is implemented. (January 2008)

- A training procedure was developed and a volunteer was trained to facilitate the processing of gifts from donors.
- The ILC bookkeeper will be trained to facilitate the processing of gifts from donors.

Result: With the enlistment of a trained volunteer(s), donors are acknowledged and gifts are processed in a timely manner.

### *Hurdles*

Progress with the Thrivent Grant initiative moved slowly. The specific outcomes of the grant have not been shared with the Parish Planning Council or the congregation.

A consultant has been hired by the congregation to facilitate a change in governance from the present Abdon model (1.) to a Policy Based Governance model in the church. The consultant is also tasked with working with the professional church and school staff to facilitate the development of a strategic plan for the church. The present ILS school improvement plan will be incorporated in the church's strategic plan. With the engagement of a consultant to facilitate a strategic planning process and oversee a change in church governance, the development project has been placed in lower priority. (January 2008)

Although the Board of Parochial Education and the Parish Planning Council affirm the need for more support staff to work in the development area, both boards are reluctant to add more staff and prefer to have a volunteer(s) work in this area.

Although consensus has been reached that an outside audit is necessary, it has yet to be scheduled.

### *Progress*

A most significant shift has begun to be articulated by our professional and lay leaders in terms of the purpose of a development program. All have agreed that the development program for the school was created in order to address shortfalls in the budget. Leaders

are now beginning to recognize and understand the importance of conducting a development program that is designed to build a legacy of giving to ensure Christian education for future generations.

### *Reflection*

It was clear very early in this project that the largest hurdle involved a cultural change in the way in which the professional leaders, lay leaders, and the members of Immanuel congregation view third source funding. The importance of understanding how third source funding was used in the past (to balance budgets) was critical in order to affirm the work of previous leaders and begin the shift to a healthier model. A clearly articulated purpose and plan was needed in order to share it with individual leaders and groups. Gaining support for each step in the process involved many conversations as trust was built and the legacy of Christian education at Immanuel Lutheran School was strengthened. A good process has begun and will continue to flourish with prayer, planning, and the people to carry out His plan for equipping children for many generations to come.

1. The Abdon model of governance is the present organizational structure of Immanuel Lutheran Church and School. Immanuel congregation is represented by and administers its affairs through its Voters' Assembly. The responsibility and authority for the daily administration of congregational affairs is delegated to nine boards. The Parish Planning Council consists of the Directors of the nine boards, the Officers of the congregation, and ex officio members (Pastor(s) and Principal). It serves to coordinate the activities of each of the boards. The congregation, subject to the limiting provisions and regulations of the Constitution and its associated Bylaws, shall have supreme power in the administration of its affairs. (*Constitution and Bylaws Immanuel Evangelical Lutheran Congregation of St. Charles, Missouri, Amended – February 22, 1999.*)