

Recommended Financial Guidelines for Sister Churches with Scholarship Programs

The following guidelines are based on recommendations from the Salvadoran Lutheran Church administration, Sister Parish office and some of the pastors and committees (in El Salvador) which administer community scholarship programs. It also contains wisdom from Milwaukee Synod sister churches who have scholarship programs. This is a working document, and input is welcomed from sister church or companion synod committees which work with scholarship programs.

Preface: The Scholarship Directiva/Committee

It is recommended that each scholarship program be developed jointly and administered jointly by a directiva or committee which consists of the local Salvadoran pastor, catechists and lay leaders and the sister church (US) pastor and/or lay leaders. The specific guidelines for the students, families and communities in El Salvador should be developed by the local teams, which know best what will work in their settings. These guidelines should be shared with the US sister churches.

When to Send the Funds

Although in the US we tend to think about the annual cost of a scholarship program, in El Salvador the money is paid to the schools and families on a monthly basis. The largest payment is made at the beginning of January, which includes the registration fees and materials. Equal payments are then made from February through November. Graduation fees must be paid in November. *The Salvadoran Scholarship Team should provide the sister church with a payment schedule, showing what amounts are paid out each month.*

The Salvadorans recommend that money be sent **quarterly**, with the first payment arriving at least one week before the Christmas holidays or during the first week in January.

The Salvadorans recommend that money **not be sent** in one lump sum because it is hard for them to keep track of it for the whole year and it is difficult not to spend it for an urgent need if a need arises. It is not safe for families to receive lump sums which they must keep in their homes for an extended time.

Where to Send the Funds

In the Greater Milwaukee Synod, we strive to have all funds routed from congregations through the synod so that the money can be wire transferred directly to the Sister Parish Account. This insures that the money is deposited into the correct account and that we, as a Companion Synod, have an accurate record of all funds which travel from our synod to the Salvadoran Lutheran Church.

All money from sister churches, for scholarship programs and all other ministries, is deposited into one account, The Sister Parish Account. The wire transfer is made out to Sínodo Luterano Salvadoreño. For scholarship program money, a detailed email message is sent to:

- + The local pastor (if he or she has email) or designated members of the pastoral team
- + The administrators of the program in the local community (lay leader if he or she has email)
- + Pastor Norma Castillo de Menjivar, Sister Parish Coordinator (sisterparish@gmail.com)
- + The local Micro-Region Coordinator
- + Aracely Ventura, Administration (a.ventura@sls.org.sv)
- + Bishop Gómez (optional) (lutomg@sls.org.sv)
- + The Companion Synod Chairperson and/or Sister Church Committee Chair

Example of email: On 27 November 2011, a wire transfer has been made to your account in the amount of (\$\$\$). This money is for the Scholarship Program at Cordero de Dios in Soyapango for the period January 2012 through March 2012. The pastor who coordinates this program is Pastora Norma Castillo.

How the Money Gets to the Pastors

In order to withdraw money from the Sister Parish Account, the local pastor must put in a request with Aracely Ventura or Pastora Norma Castillo. There is a form which requires one of these signatures and the local pastor's signature. The form includes a place in which the pastor needs to describe the purpose for which the money is being withdrawn. (Example: Cordero de Dios Scholarship Program, January payments). This is why it is very important to communicate with the local pastor whenever money is sent, because the request for the money must come from him or her. It is advisable that the local pastor phone the business office (Aracely) to make an appointment to sign for the funds, especially if the pastor needs to travel a long distance.

How the Money Gets Distributed to the Families

Each local scholarship committee will have its own set of guidelines regarding the administration of the local program. *The goal is to have these guidelines in writing and available to the sister church.* Ideally, each adult family representative or adult student will sign and date a form or a list which indicates that he or she is receiving the payment and what the amount of that payment is. If the sister church, the Sister Parish office, or the Salvadoran Lutheran Church administration requests to see these records, the local scholarship program team/local pastor should be able to provide them. It is best if money is distributed to local families on a monthly basis.

Pastora Norma is currently working on standardizing documentation for the distribution of funds so that all of the churches will be able to provide reports to their US sister churches in one format.

What the Scholarship Program Covers

Each local scholarship committee and pastor will develop guidelines which fit the local community. Typically, a scholarship program will include the following for a list of students who have been approved for the program:

- Transportation costs (usually zero or small for elementary students, more as the students increase in age, most expensive for university students)
- Registration costs (only for students in private schools and university)
- Materials fees (more for high school and university students; beginning in 2010, students are receiving 6 notebooks, pens, pencils and some other basics from the government; students need to provide their own backpacks and specialty supplies)
- Food allowance (beginning in 2010, students up to grade 9 should receive breakfast or lunch in school; food for university students is important because they have to leave early and are gone all day)
- Uniforms and shoes (high school students; beginning in 2010 students up to grade 9 should receive this from the government)

It is recommended that scholarship programs include coverage of:

- Funds for graduation ceremonies (grades 9 and 12)
- Funds to support group gatherings, parent meetings, transportation to micro-region events
- Funds to cover the administration of the program (varies on size of program)

Some local committees have asked for:

- Funds for vitamins for the children
- Funds to cover some basic needs of families in the community
- Funds to support the local church

It is important for the local Salvadoran church and the sister church to be clear about what the program will cover and what the program will not cover. It is important for the families in the local community to be clear about what the program will cover and will not cover.

Managing the Student List and Transparency Between Sister Churches

Some local Salvadoran communities have more than one international sister church. The Salvadoran Lutheran Church administration has identified that more communication between the international sister churches (or at least those in the US) will help with transparency issues in scholarship programs.

The issue of “double dipping” was discussed, with the understanding that the lack of transparency on the part of some local Salvadoran scholarship committees or local pastors is a mechanism for survival. If 10 students are receiving scholarships from California, and the same 10 are receiving scholarships from Wisconsin, it is likely that the California funds might be paying for school and the Wisconsin funds might be paying for food for those same children or for the administrative costs of the program. The church wishes to encourage transparency and if a need exists, then that is the need that should be addressed above the table and not below the table.

The Salvadoran Lutheran Church administration recommends that student lists be shared freely among sister churches, and that “double-dipping” be brought out from under the table, and that local Salvadoran churches and sister churches work together to create honest and transparent programs.

Managing the Sponsors and Transparency of Gifts

It is important for the sister church scholarship committees to have good guidelines and management of funds on their end. Monetary gifts outside of the official program should not be given to individual students or families because it undermines the local Salvadoran rules and guidelines for their programs. Sponsors should be told not to slip cash into letters which they send to their students.