



## **Lutheran Services Carolinas**

### **The Not-For-Profit Difference**

Lutheran Services Carolinas and its affiliates are not-for-profit charitable corporations under section 501(c)(3) of the IRS tax code. At the same time, it is a misnomer to believe that because of the not-for-profit tax designation, that Lutheran Services Carolinas does not attempt and expect to generate earnings in excess of expenses, which appear as an accounting "profit."

First, some of the accounting "profit" is the result of investment income and unrealized investment gains. LSC is able to let those earnings remain in the investment account to provide future financial stability or, if the funds were restricted by a donor, income from the funds is used according to the purpose specified by the donor.

Other "profit" earned in excess of expenses may be used for capital investment into the repair of things like roofs or for building maintenance. It may be used for equipment needed to provide care for residents such as new beds, patient lifts, room furniture, or room renovations. It may be used to enhance resident activities, staff training, or educational opportunities.

In other words, LSC reinvests any income that exceeds expenses or "profit" back into its programs, facilities, and services, enhancing its ability to provide compassionate care and innovative services in a dignified setting. The LSC ministry is not simply a business venture; it is an expression of faith.

LSC is also able to advance its mission and improve its services through financial support including grant opportunities, contributions, bequests, and memorials. Such funds enable LSC to pursue innovative programming and to provide enhancements such as higher staffing ratios, chaplaincies, and better benefits.

To learn more about what it means to be a not-for-profit organization, contact the LSC Development Office at (704) 637-2870 or read information posted throughout the "How You Can Help" section on the LSCarolinas.net website.