



IOWA ANNUAL CONFERENCE



TREASURY NOTES

August 2011

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501(c)3 Status

Each congregation is an exempt organization for the purposes of reporting income for taxes. The designation comes from the internal revenue code 501(c)3 provision. The General (National) Church holds a letter from the IRS called a group ruling letter that states that all local congregations, Annual Conferences and some of its affiliated organization are exempt from income tax.

When a local congregation is applying for a grant from the United Way or some other charitable organization, they are asked to provide proof that they are a 501(c)3 or tax exempt organization. You may obtain a certificate stating that fact by filling out a request form from the General Council. To receive your group ruling certificate go to www.gcfa.org, in the right hand column you should see "Group Ruling Request Form." Follow their instructions and they will provide the information you need to give to the charitable organization.

Sales Tax

Many times our office receives the question, "Is the church exempt from paying sales tax?" In Iowa, churches are not exempt from paying sales on items or services that it purchases. However, for fundraising purposes, the church does not have to collect sales tax and report it to the state as long as the fundraising is to support the mission and ministry of the church or a group within the church.

Apportionment/Health Insurance Rates

The goal is to mail the 2012 apportionments to the local churches the week of August 15. This should help in your budget planning for 2012.

The Conference Board of Pensions will set the 2012 health insurance rates for clergy on the active plan at their August 18 meeting. Once those rates are set they will be posted on our web site.

Conference Budget for 2012

The estimated projected income for our conference budget for 2012 is \$35,357,076. The Conference's income includes receipts from the following categories:

Charitable Contributions are monies given for a specific purpose. The Treasurer's office receives the gifts and passes them on to the designated organization. The gifts include campsite projects, relief for a natural disaster, special mission projects, Ingathering collections and advance special projects support for many local and state institutions. As each gift is received, 100% of what is received is passed on for its designated purpose. The cost to administer these gifts is part of the apportionment cost. *The estimated amount for 2012 is \$3,476,255.*

Fees for Service is just that, a fee that is charged for an event or other related costs. The majority of the fees come from registration, for an event that is held by the Conference. It could be a children's camp, a youth gathering, one of our Academy's or for clergy and lay continuing education. The fee is collected by the agency that is organizing the event and is used to pay for the cost of providing this event. The cost to charge and collect the fees, for an event, is part of the apportionment cost. Thus, fees collected are only used to pay or help pay for the event itself and not any administrative costs. *The estimated amount for 2012 is \$1,466,442.*

Contributions to Benefit Plans are direct bills local congregations receive for their clergy's retirement pension benefit and the appointment fee for the health insurance cost. The money is collected by the treasury and forwarded to the General Board of Pensions and Wellmark BC/BS of Iowa. As with charitable gifts and fees for service, the Conference cost to administer these plans is funded by our apportionments. *The estimated amount for 2012 is \$12,054,502.*

Investment Earnings come from various bequests that have been left to the Conference. The income from an investment is often restricted for a particular use; such as the Westmar College Scholarship Funds or our Pension Permanent Fund. Some funds are received and invested for a short term until the project is complete. *The estimated amount for 2012 is \$2,184,341.*

Sale of Assets is exactly that, an asset that for some reason is sold. Generally, the assets sold may be equities or occasionally some equipment that still has

some usefulness but is no longer appropriate for the Conference. *The estimated amount for 2012 is \$53,000.*

District Asking are funds raised within each of our eight districts for a particular ministry or mission project within that district. As with Charitable Gifts, all the money given for the District Askings goes to the designated project because the apportionment funds cover the administrative costs. *The estimated amount for 2012 is \$219,000.*

Apportionments are the historical methods the United Methodist Church and its predecessor denominations used to support the ministry beyond the local church community. Each congregation is assigned (*through a formula*) their fair portion of our shared Conference, national and world ministries. *The apportionments for 2012 are \$15,624,566 a 1.98% decrease from 2011.*

Miscellaneous Income is money that comes to the Conference but does not readily match any of the other receipt categories. *The estimated amount for 2012 is \$128,000.*

(The September Treasury Notes will describe the estimated functional expense of the Conference for the year 2012)

Journal Publication

The 2011 Journal will be mailed sometime in September.

September Hours

All Conference offices will be closed Monday, September 5 in celebration of Labor Day. At that time our office hours will return to our regular hours and the front door and switchboard will be opened from 8:30 a.m. – 4:30 p.m. Monday through Friday.

Moving Season

As the moving season for clergy comes to an end, we ask for your cooperation in providing the treasurer’s office with information about your move for this year. Whether the move was a good experience or bad we appreciate knowing. You may send your comments to chuck.smith@iaumc.org. Each year we meet with a group of mover’s representatives and give them feedback. They also provide information to us about their experience with clergy moves. Thus, your comments are most helpful.

Also, if you had damage during your move, please report it to the moving company and to our office. The Conference carries the insurance for the moves. An estimate for the repair or replacement should be submitted to our office.

The Conference will pay to you, the \$500 deductible, and the rest should be paid by the mover’s insurance. However, it is important to do this ASAP in order to be clear that it was a moving error and not something that occurred after the move. Thank you for your cooperation.

July Receipts

Once again, the receipts for this month are a time of rejoicing. The way you and your congregations are helping to support the ministry of United Methodists in Iowa, the country and the world is worth celebrating. July is often a time when the conference receipts decline as does receipts for local congregations. Our report indicates that the percentage of apportionments received is 37.47%. This is very favorable compared to the four year average and for 2010. Also, we have received \$433,966 in prior year apportionments. This is 39.42% of apportionments received for 2011 with an increase of 0.31% from 2010.

I know that many times we have said thank you and I know we cannot say it enough. The money you send supports so many valuable and important ministries, as your gifts touch the lives of so many different people, whether it be a young camper’s first experience with Christ, a new well in Nigeria or a child’s first school kit, “thank you” seems inadequate. Yet, as we share our blessings in mission and Christ with others, “Thank you” is what can be said. Remember, as you have been blessed your gifts are a blessing to others.

	<u>2010</u>	<u>4 YR AVG</u>	<u>2011</u>
General Church	1,203,178 46.21%	1,105,833 43.93%	1,284,307 47.89%
Conference Ministries	3,705,210 36.22%	3,872,763 38.01%	3,628,095 35.86%
Conference Missions	1,134,729 33.21%	1,084,212 33.75%	1,059,552 33.75%
Total Apportionments	6,043,118 37.19%	6,062,807 38.09%	5,971,954 37.47%

Safety First

As you begin your preparation for the fall season, it is a good time to check electrical outlets in Sunday School rooms to make sure they are covered when not in use. This can avoid someone accidentally sticking something into the socket. Remember no child; youth or adult is too old not to have some curiosity that could lead to a shocking experience. Also, make sure that extension cords are used minimally and are in good condition. Make certain they are not used in such a way as to be a tripping hazard. Also, check to ensure that no socket is over loaded with many devices plugged into the same socket.