



IOWA ANNUAL CONFERENCE



TREASURY NOTES January 2011

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The Church is not a Charity

Even though the IRS may designate the church as a charity, it is not. A charity is defined as a generosity and a help towards the needy or suffering. It is an institution that is engaged in relief of the poor. The church may have some programs that help or advocate for the relief of the poor but that is not the main focus or purpose of the church. The church is not needy or poor.

Even though Webster's Dictionary may define a church as "a building for public worship or a body or organization of religious believers," **The Church is not a Building.** We may use a building for worship or as a place to come and meet our savior but the building is not a real church.

"The Church is the community of all true believers under the Lordship of Christ....It is the redemptive fellowship in which the Word of God is preached....and the sacraments are duly administered according to Christ's own appointment. Under the discipline of the Holy Spirit the Church exists for the maintenance of worship, the edification of believers and the redemption of the world." *Our Doctrinal Standards and General Rules, 2008 Book of Discipline, page 67.*

So why should we give to the Church our prayers, presence, gifts, service and witness? We do not give because the IRS may give us a tax advantage, although that may be an outcome of gifts. We do not give because somewhere in the world a village may have a new well with clean water, even though that may be the result of our gifts for service. We do not give because the sanctuary roof has a leak, even admitting that it is nice to worship God and experience the sacraments in a setting where ones head will not get drenched or if we hear the drip, drip, drip of water into a bucket.

We give to the Church as our response to God because as the writer of the Gospel put it, "God so loved the world that he gave his only Son, so that everyone who believes in him may not perish but may have eternal life." (John 3:16 NRSV)

I believe that in 2011 if we give in the spirit of God's gift to us, our local congregations and the Annual Conference will always have enough. Enough, so the Word of God may be preached around the world. Enough, that we administered the sacraments, worship our God and Savior, and be in mission for the redemption of the world.

Yearly Reminders

I know for some treasurers and others, the following items will seem redundant but each January we want to pass on these important reminders. Also, if you are a new

treasurer, the following information will be very helpful.

Making Checks Payable

Just a reminder when you are sending money to the conference it is important to make checks payable to the proper account so credit can be given. As checks are written for the Direct Bill for Pensions and Health Insurance, make them payable to the Board of Pensions, Inc. at PO Box 8086, Des Moines, IA 50301-8086 our pension accounts are with Banker's Trust. Also, when making direct bill payments please return the stub from the statement. This helps the Conference place the money in the correct accounts.

Payments for apportionments and all other giving should be made payable to the Iowa Annual Conference of the United Methodist Church, PO Box 4564, Des Moines, IA 50306-4564. First American Bank is the bank that holds the Conference accounts. Again, it is important to check each month's records for accuracy. It is easier to correct errors as they occur rather than later in the year. Thank you for your cooperation.

Where to Send – FSA, HSA and HRA payments

All contributions being sent to on behalf of the clergy or lay employees for the Flexible Spending Account (FSA), Health Savings Account (HSA) and Health Reimbursement Account (HRA) should be made payable to the Iowa Annual Conference and mailed to PO BOX 1422, Des Moines, IA 50305. Kabel Business Services manages these accounts for the Conference. Should you have any questions contact Kabel Business Services at 515-224-9400 or 800-300-9691 between 8:00 AM and 4:30 PM Monday through Friday.

Church Statement and Remittance Forms

You may access your church statement each month by going to www.iaumc.org/remits. This year instead of sending out the three-part form for reporting remittances, the conference is sending one copy of the form to each local treasurer. You may copy this form for future use or find the form on our website under the Finance and Administration section.

Pay Apportionments On-Line

If you have not taken advantage of the program to pay on-line you may want to do so starting this year. You can pay your apportionments and advance specials on-line. Save the cost of check writing and postage. To begin this service contact Jeremy Jolly at 515-974-8923 or Jeremy.Jolly@iaumc.org.

Direct Bill Payments by ACH Transfer

Your congregation may save \$15 per month by having your direct bill for pensions and health insurance transferred from your account each month. To set up this program go to www.iaumc.org/eft where the information and forms to begin the process are available. Using this method will reduce your direct bill by \$15 per month.

W2 Form Questions

If you need help with completing W-2 Forms for clergy go to www.iaumc.org/tax and click on GCFA Clergy Tax Packet. Many of the questions you have regarding the

completion of the form will be answered.

How do I Locate Advance Special Numbers

When collecting and sending money for various missions, it is important to include the advance number that you wish to give. This will allow our office the opportunity to get your money to the correct place for crediting. A listing of all of the national advance projects along with their number can be found at <http://new.gbqm-umc.org/Advance/projects/search/>.

Also, a listing of the conference advance specials along with their number can be found in the Rainbow Covenant book, which is downloadable from the Conference website. The link to download the book can be found at <http://www.iaumc.org/rainbow>.

2010 Statistical Information

You may access the year-end statistical forms by going to the web site www.iaumc.org/stats. During the last part of December the pastor and treasurer of each congregation received the letter giving the password information. If you need paper copies of the forms contact Cynthia Davis. Her address is Cynthia.Davis@iaumc.org or phone 515-974-8920.

Taxable Value of the Group Term Death Benefit

One item that is paid by the direct bill for pensions is the group term death benefit that is provided to your clergy and their family. The IRS has determined that such benefits are taxable to the clergy person. You may go to the following website address to calculate this taxable value www.iaumc.org/tax and click on taxable Value of Group Term Life Insurance Calculation.

Just provide the answers to the questions and this “calculator” will calculate the taxable value that must be added as additional taxable income for box 1 – Federal Wages and box 17—State Wages on your pastor’s W-2 Form.

2011 Church Officer Forms Due Now

The 2011 Church Officer forms should be entered through your church’s dashboard on the conference’s website before the end of January. Please be sure to include the name of your lay member(s) to annual conference so they will be on the mailing list to receive the registration mailing for AC. If you are unable to do your updates online or if you need your login information for the dashboard please contact Jill and she will help you. You may call her at (515) 974-8917 or email her at jill.stanton@iaumc.org Thank you!

IRS Mileage Rate for 2011

The mileage rate for business miles driven has raised one cent to \$0.51 for 2011. The rate for medical or moving purposes is \$0.19.

Record Retention

As the year comes to an end, occasionally we are asked how long to keep records. The standard for financial records that would be generated by the financial secretary and

treasurer would be a minimum of five years. Of course, legal records should be kept indefinitely, and insurance policies should be kept until the legal statute of limitations is reached. Minutes of official meetings of the congregation should also be kept. This would include, Trustees, Charge Conference and Administrative Council as historical records for the church.

We received incorrect information which was published in last month's Treasury Notes:

Correct Information:

Qualified Long-Term Care Insurance Contracts (from IRS publication #502)

A qualified long-term care insurance contract is an insurance contract that provides only coverage of qualified long-term care services. The contract must:

- Be guaranteed renewable,
- Not provide for a cash surrender value or other money that can be paid, assigned, pledged, or borrowed,
- Provide that refunds, other than refunds on the death of the insured or complete surrender or cancellation of the contract, and dividends under the contract must be used only to reduce future premiums or increase future benefits, and
- Generally not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer, or the contract makes *per diem* or other periodic payments without regard to expenses.

The amount of qualified long-term care premiums you can include is limited. You can include the following as medical expenses on Schedule A (Form 1040).

1. Qualified long-term care premiums up to the amounts shown below.
 - a. Age 40 or less – \$330
 - b. Age 41 through 50 – \$620
 - c. Age 51 through 60 – \$1,230
 - d. Age 61 through 70 – \$3,290
 - e. Age 71 or older – \$4,110
2. Unreimbursed expenses for qualified long-term care services.

Note. The limit on premiums is for each person.

Also, if you are an eligible retired public safety officer, you cannot include premiums for long-term care insurance if you elected to pay these premiums with tax-free distributions from a qualified retirement plan made directly to the insurance provider and these distributions would otherwise have been included in your income.

Office Closing

The Conference Office will be closed Monday, January 17 for the Martin Luther King Jr. Day.

The January Receipts will be reported in the February Treasury Notes