



IOWA ANNUAL CONFERENCE



TREASURY NOTES

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Charitable Contributions

Our office has on many occasions received the question, "Is it possible for a person to give a charitable contribution and designate it for a particular person?" For example: a tragic death or fire or even a major illness in a community; community members want to raise money for this family and want to "pass through" a church so the gifts can be considered deductible. I have asked our Conference lawyer for an interpretation of the IRS regulations. The following is his response.

"A contribution is not considered made "to" a charity if the facts and circumstances show that the charity is merely a conduit to a particular person. If contributions to a fund are earmarked by the donor for a particular individual, they are treated as gifts "to" the designated individual rather than "to" the charitable organization.

For purposes of determining that a contribution is made to or for the use of an organization rather than to a particular individual who ultimately benefits from the contribution, the organization must have full control of the use of the donated funds and the contributor's intent in making the payment must have been to benefit the charitable organization itself and not the individual recipient.

Indefiniteness is an essential element of a charity. Earmarking or designation by individual donees does not create an uncertain object of the charity and therefore lacks this essential element. The

requirement of indefiniteness is satisfied if the charitable organization retains control of the funds.

Whether a contribution is made "to" the individual or "to or for the use of" the charitable organization is determined by applying a control test. Does the organization have full control of the donated funds and discretion as to their use, to ensure that the funds will be used to carry out the charitable organization's functions and purposes? To answer this question, we must consider the following factors:

First, is the contribution earmarked for a particular individual?

Second, is there a commitment or understanding, either oral or written, that such contributions will be used only for the designated beneficiary?

Third, is the contributor's intent in making the payment to benefit an individual recipient and not the charitable organization itself?

If the answer to any of these questions is yes, it would appear that the gift, though well-intended is earmarked for a particular individual and is to be used only for the designated beneficiary; and the contributors intent is NOT to benefit the charitable organization but to benefit the individual recipient. Thus, it clearly appears that accepting these types of gifts and "laundering" them through the local church is contrary to law and public policy and for a church to agree to cooperate in such a plan could jeopardize the church's tax exempt status."

Statistical Reports

This year the Districts have appointed a volunteer to serve as District Statistician. They will be reviewing the numbers that you have filed with the Conference for reasonableness and contacting you if a reported number seems unusual. Also, they will be contacting those congregations who have not completed the reports and offering assistance. The numbers you provide help the Iowa Conference and the General Church understand trends and provide a measure of our ministry and mission. They are used in calculating Iowa's share of General Church apportionments which are then passed down to the local congregations. Thus, we want them to be as accurate as possible.

Moving Season

As the first announcement of appointments for the conference year are made, movers in Iowa become busy. When a pastor moves they are provided a move packet that includes the Iowa Conference policy for those moving from one congregation to another or into a retired status.

Please read this material to know what move costs will be paid by the Conference and what may be your own responsibility. Note that in the material you are asked to select a mover from the approved movers list. Those on this list are the movers in Iowa who have agreed to a move discount and well as special rates for materials and special move circumstances.

Also, it is important to note that if your move from one congregation to another is less than fifty miles, you will receive a 1099 from the Conference and the cost of the move will be taxable income.

The mileage distance is the mileage from your current place of residence to the new place of work. It must be measured by the shortest route between the two points, and that route may not be the one that you would prefer to use. Also, any clergy retiring or moving because of incapacity will receive a 1099 as well and the move will be taxable income.

The date for your move is set by the Appointive Cabinet. You will receive a letter stating your move date. The dates are chosen in such a way as to make it possible for a parsonage to be vacant for at least one full day to allow for cleaning and minor repairs.

2010 Journals Still Available

If you are in need of a 2010 Conference Journal there are still some available. Price is still the same \$20 for a book and \$7 for a CD. Contact Jill at (515) 974-8917 or at Jill.Stanton@iaumc.org.

	2010	4 YR AVG	2011
General Church	349,627 13.43%	308,949 12.27%	367,323 13.70%
Conference Ministries	827,209 8.09%	832,095 8.17%	759,159 7.50%
Conference Missions	286,238 8.38%	256,777 7.99%	252,852 8.05%
Total Apportionments	1,463,074 9.00%	1,397,820 8.78%	1,379,334 8.65%

February Receipts

As you can see from the chart above, the current year receipts at the end of February are down slightly from the previous year but very close to the four year average. Also, we have now received \$345,705 as payment for prior year apportionments. This means the percent of our total apportionment receipts are 10.61% which is 0.28% above last year at this same time. Thank you seems like such an inadequate word to use when we know that this money impacts so many people's lives in a very positive way.

I thought that you would find it interesting that the United Methodist of this country in 2009 gave \$6.2 billion to local congregations. Of that amount 19.4% went to Pastor Salaries and other reimbursements and allowances; 20.3% for other staff; 5% for local church programs; 9.6% to apportionments; 5% to direct bill for pension and health benefits; 17.1% for operating costs; 4.9% to other related ministries, building and debt service 18.7%.