



# IOWA ANNUAL CONFERENCE



## TREASURY NOTES

May 2006

Publisher/Editor: Dr. Charles W. Smith; Telephone (515) 283-1991; www.iaumc.org

### Record Retention

One question that I am frequently asked is, “how long do we need to keep our records?” The answer to that question is, “it depends.” It depends on what records you are referring to.

Some of the suggested retention periods are for legal reasons, while others are based on practical considerations. The General Council on Finance and Administration has provided conferences with some suggested guidelines. I am passing them on to you for your local congregation settings.

When a congregation develops a record retention policy, it is important to think about where those files will be kept, how secure the files will be, and the condition under which the files will need to be stored (*excessive heat and particularly dampness can be very destructive to files*).

Some of the reasons that files and records are kept can include legal requirements, especially in areas that are relevant for potential future litigations. Some records are kept just for the need of the organization as well as historic importance.

The following is a list of types of documents and the recommended length of time for retention:

- Articles of Incorporation, amendments and bylaws—*permanently*; it is also wise to store them in a bank box or vault
- Certificate of incorporation usually issued by the Secretary of State—*permanently*
- Tax returns and reports sent to the government—*permanently*
- Work sheets and related backup documents for tax returns—*seven years*
- Minutes of meetings; such as Trustees, Administrative Board or Council, and if the congregation has one, Foundation—*permanently* (provides a good historical record)
- Charge Conference reports—*permanently* (another source of historical records)
- Abstracts and Deeds—*permanently*, it is also wise to store them in a bank box or vault
- Contracts and leases in effect—*permanently* (the retention is important in case of future litigation)
- Insurance policies, including expired policies—*permanently* (very important in case of litigation)
- Insurance letters and correspondence—*permanently* (again can be very important in case of litigation)
- Audit reports—*permanently* (again a good source of historical information and valuable in case of future litigation)
- Letters and Wills granting bequests to the congregation—*permanently* (the historical information is valuable and memories of how endowments are to be used is not always accurate, thus, keep the grants and any letters relating to it.)
- Bank Statements and reconciliations – *seven years*
- Canceled checks for standard transactions—*seven years*
- Invoices for paying bills—*seven years*
- Statement of giving or remittance forms that record member’s gift to the church—*seven years*

- W-2 or 1099 forms –seven years
- Housing allowance Pastoral Support Forms—*seven years*
- Employment applications for current employees—*permanently*
- Employee personnel records after a person leave employment—*three years*
- Business correspondence—*three years*

The reason for some of the accounting records to be kept for seven years relates to the IRS who may audit churches, lay persons or clergy tax returns. Governmental reports affecting tax liability should be kept permanently. However, most backup records, such as receipts documenting income deductions need only be kept for seven years. The Internal Revenue calls for a six-year statute of limitations. The IRS has three years from the date of when the income tax return is filed to question or audit it. If the IRS can prove an omission of a least 25% of income, the time period doubles to six years. Therefore, the seven-year period gives a one-year cushion beyond that limit. While most churches are not required to file tax returns, these periods apply to any entity that must file, as well as individual filers.

Also, it is important to retain insurance policies and related documents. From time to time, lawsuits are brought which reach back many years. Therefore, it is important to determine the policy in effect at the time that the claim arose. Should those polices be missing, they can often be recreated by contacting your broker or insurance company to establish coverage.

### 2006 Journal Order Information

The 2006 Journal order forms are now available and can be found on our website at [www.iaumc.org](http://www.iaumc.org) and also in the Pre-Conference Mailing printed copy and CD. The form states that you should send your payment with your order form to Jill Stanton at the Conference Center. Please **do not** send your payment to the lock box. All orders need to come to Jill at the Conference Center for processing. Perfect bound and spiral copies are \$15.00 and CDs are \$7.00. If you have any questions you may call Jill at 515-974-8917 or email [Jill.Stanton@iaumc.org](mailto:Jill.Stanton@iaumc.org).

### Conference Center Closed

The Conference Center and Conference Offices will be closed Monday, May 30 for Memorial Day.

### April Apportionment Receipts

	2005	4YR AVG	2006
<b>Ministerial Support</b>	1,474,301 24.31%	1,499,036 24.80%	1,409,723 24.29%
<b>Administration</b>	534,219 18.26%	495,448 19.15%	556,328 17.90%
<b>World Service &amp; Conf. Benev.</b>	983,828 17.36%	978,064 17.42%	945,439 16.45%
<b>Other Ministries</b>	45,577 21.13%	36,931 16.51%	44,751 20.96%
<b>Total Apportionments</b>	<b>3,037,926 20.42%</b>	<b>3,009,478 20.79%</b>	<b>2,956,242 19.87%</b>

### Statistical Review

The data supplied by local congregations and entered into the data base has now been sent to the churches for your review. If you haven't done so, as a reminder the corrections must be made before August 1; it will affect the 2007 apportionments. Corrections should be made in writing and sent to the Treasurer's office.

### Staff Announcement

It is with sadness and joy that you are receiving this announcement. The sadness occurs because I accepted the resignation of Russ Hinshaw as Assistant Treasurer/Controller. Russ has been with the Conference 11 years and is a member of First UMC in Ankeny.

Then it's with joy because he is leaving us to become the Conference Treasurer of the Kansas East Conference.

Russ will be with us through July so we will have numerous opportunities to thank him for the valuable contributions he has made to our Conference.

We wish him and his family many blessings as they take this leap of faith.

### Denominational Health Task Force of the UMC – For Active Clergy and Laity

We are asking for your participation in a Duke University Survey beginning in May and June. See attached letter for details.



**BOARD OF  
PENSIONS, INC.**

2301 Rittenhouse St.  
Des Moines, IA 50321

Tel 515.283.1991 | Fax 515.288.1906

[www.iaumc.org](http://www.iaumc.org)

May 10, 2006

**RE: Your participation in the Duke University Health Survey**

I am requesting your participation in a valuable health study being conducted by Duke University.

The Denominational Health Task Force of the UMC is joining other Church Benefits Association members in a survey about health, well-being, spirituality and job characteristics of active clergy and laity. This is an important landmark study that can help us understand the complex influences on the health status of Church workers.

Beginning in May, through June, active clergy and lay workers will receive a copy of the 40-question *Duke University "Your Health, Well-Being, Spirituality and Job Characteristics" Survey*. It will be sent directly from Duke to participants and all responses will be returned directly to Duke to assure confidentiality, in accordance with HIPAA regulations. We will share results of the survey with you before the end of the year.

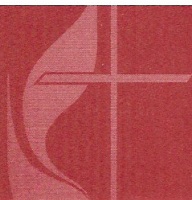
This is a very important landmark study and information provided through the survey can help in the future of health care decision-making on your behalf through the denomination.

Please watch for the survey, complete and return it.

If you have questions about the survey contact Noreen Orbach, Managing Director of Health and Welfare Services at the General Board of Pensions and Health Benefits at 1 (800) 851-2201.

Peace,

Rev. Charles W. Smith  
Conference Treasurer



IOWA ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH