



IOWA ANNUAL CONFERENCE



TREASURY NOTES

July 2007

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Report on Annual Conference

At the June Annual Conference Session some decisions were made that will affect the apportionments for the year 2008. In response to the actions of the 2006 Annual Conference, the Council on Finance and Administration took a proposal to this Annual Conference that would have changed the apportionment formula from one that is based on expenses to one that is based on income. A second recommendation changed the number of apportioned funds from four to three. In the year 2009, not apportioning the CCMC ministry programs but allowing congregations to choose which conference programs they would like to support.

After much debate on Sunday afternoon of the Annual Conference Session, a number of items were changed that will affect the 2008 apportionments.

First, the formula for calculating the apportionments was changed to a four-year average using the expense items from the previous formula for the years 2003 and 2004, and income items for the year 2005 and 2006. Although the members of the conference were given a report that compared how the expense based or income based formula would affect each local congregation's apportionments, no report was provided showing how the change in the formula will affect apportioned amount for each church. Thus, when the apportionments are calculated for 2008, the amount for each congregation will be a surprise for all of us.

Second, the apportionments for 2008 will be in three categories instead of four. The categories are: 1. General Church Apportionments—this is the money that the national church apportions to the churches of Iowa. The Conference has the responsibility to assign these apportionments to local congregations through a type of formula without reduction. 2. Conference Ministries Apportionments—this is the fund that will support the items established by *The Book of Discipline* or approved through legislation of the Iowa Conference. 3. Conference Benevolences—this is money to support the programs of the various Conference program boards. The fund does not

support their meeting expenses that are part of the Conference Ministries fund; but, only the programs that they develop for the mission of the Iowa Annual Conference either within Iowa or around the world.

Third, a motion was made that in 2008 the General Church apportionments be paid at 100% even if local churches do not send the money to the Conference at 100% for this fund. The effect of this motion is that the General Church apportionments have a priority on all apportionments sent to the Annual Conference. As a result, there is the potential that all other funds of the Conference could be adversely affected as spending plans will need to be revised for every fund to cover any potential shortfall in General Church apportionments. Late summer and early fall there will be much planning from all Boards of the Conference on how to complete this motion.

Fourth, the Annual Conference voted to apportion all funds in 2009 and not allow congregations to choose some programs to support.

Fifth, the Conference Board of Pensions legislation was passed without any major amendments or changes at Conference. One change that will affect congregations is the continuing implementation of the new clergy retirement security program (CRSP). For the year 2007, the amount direct billed to each local charge was 11% of the clergy compensation. In the year 2008, that amount will need to be 12% of clergy compensation. Even with this change, the Board estimates that it will need to use over \$1,000,000 from its invested funds to fully fund this program.

Sixth, the Conference health insurance programs will not substantially change from this year. The two plans that will continue to be offered are; the High Deductible Plan with a Health Saving Account and the regular Preferred Provider Plan with no saving account. The Flexible Spending Account will be available for those using the PPO plan and for those who have dependent care. The health insurance rates will be set by the Conference Board at their August meeting. Preliminary reports indicate that our usage has once again increased. Therefore, our rates which have been stable or reduced over the last four years will most likely reflect an increase.

Seventh, the retiree's health plan from the Conference may be able to offer some options for our retirees. Changes in the Medicare funding plans may make it possible for a change and allow some choices. More information about this will follow as plans become finalized.

Eighth, I would like to share with you some statistics I shared during the session of the Annual Conference about the Treasurers office. It helps you understand the scope of some of our work. The Conference has, on its books, a total of 387 different funds that our office must monitor and track. There are 9,305 different line items within our accounts. In the year 2006, the accounting staff completed a little more than 183,000 separate transactions and the total amount of money accounted for within the Conference office was \$40,924,146.

Ninth, for 2008, the Equitable Compensation Commission, the lay and clergy members of the Annual Conference approved the recommendation that the minimum base compensation for a pastor not in full connection would be \$33,626. For a clergy in full connection \$34,151 with \$400 for additional years of service up to a total of ten years (in 2007 it was six years) and an additional \$400 for each church on a charge.

Lastly, the Annual Conference budget for the year 2008 was adopted without change this year. The total budget is \$41,858,205 with \$15,676,714 coming from apportionments.

The Stewardship Academy

The Iowa Annual Conference and the Bishop Rueben Job Center for Leadership Development is sponsoring a stewardship academy for local congregations. This thorough and systematic training event will explore healthy and biblical approaches to the use of money and finances. Participants will receive a broad range of information, ideas, resources, and models of stewardship. Assignments between sessions will enhance and reinforce learning's as applied to the currently ministry setting of local church leaders, both lay and clergy.

For those who were unable to attend the first session this past spring there will be a make up session on Saturday, September 22, 2007. Session Two will be Friday and Saturday October 12-13, 2007 and Friday and Saturday April 4-5, 2008. All session are held at the Adventure land Inn in Altoona. For more information and registration call Dee Dee Sobotka at 515-974-8912 or register on-line through the Conference web site.

Apportionment Receipts

It does not seem possible but one half of the year is now gone. I want to thank all of the local church treasurer's, lay members of finance committees and clergy who are so faithful in sending your apportionments, special Sunday offerings and advance special gifts to the Conference office. Your faithfulness is greatly appreciated by the staff in the treasurer's office.

Also, we want to thank the congregations that all though they missed the January date for paying 2006 apportionments have been faithful in paying apportionments from prior years. The amount of money we have received this year for prior year apportionments is \$494,862 and is more than our office has received in the past four years.

This year you can see that our apportionment receipts for the current year for the most part are close to last year and the four year average. Again thank you for your commitment to the United Methodist principal. This principal was first articulated by John Wesley when he expected those first class meetings to support both a local mission and a global mission. It was neither one nor the other but always both. I know that your Bishop, District Superintendent and Conference Treasurer's office staff cannot thank you enough.

Apportionment Receipts

	2006	4 YR AVG	2007
Ministerial Support	2,242,445 38.63%	2,329,922 38.63%	2,203,210 38.95%
Administration	932,570 30.01%	828,438 29.64%	1,017,495 30.34%
World Service & Conf Benev	1,548,920 26.94%	1,532,333 26.92%	1,668,292 26.96%
Other Ministries	68,480 32.08%	69,241 31.62%	62,387 30.68%
Total	4,792,415 32.22%	4,759,934 32.30%	4,951,384 32.15%

E-Service Remittances

We have had several churches that have elected to start submitting their apportionments and other giving through our on-line service. If you have a computer and internet access, you can get signed up today! Many Treasurers who have used this website have commented on how easy it is to use. Signing up is very easy as well. All you have to do is fill out a one page form and return it to our office.

If you would like to sign up or simply receive more information about this service, you may contact Jeremy Jolly at (515) 974-8923 or jeremy.jolly@iaumc.org.