



IOWA ANNUAL CONFERENCE



TREASURY NOTES

July 2009

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Annual Conference Update

The 2009 Annual Conference approved the following actions that are directly related to the work of the Administrative Services/Treasurer and will have some impact on local congregations as well.

The 2010 budget was approved. The Conference Council on Finance and Administration (CFA) had recommended a budget of \$32,517,258 which \$16,241,151 would have to be apportioned. The lay and clergy members attending and voting at Annual Conference increased the apportioned budget by \$10,000. Thus, the budget increased to \$32,527,151 which \$16,251,151 will be apportioned. This is still a 0.58% apportionment decrease from 2009. Because we are still phasing in an income based apportionment formula which is a percentage of income, some churches may still see at least a 10% increase in apportionments.

The Conference approved the hiring of a Human Resources Director. The funding for this position comes from transferring money from a variety of other funds within the budget. The funds that are being transferred were from various agencies that were using the funds to hire consultants or pay for legal advice. It could now be handled in house by a Human Resources Director. The Human Resources Committee is in the process of finalizing the job description for this position. Advertising will take place before the end of the summer.

The Board of Trustees will continue to provide an insurance program for local congregations who elect to participate. The program has minimum standards for coverage that is recommended for all congregations. A congregation's coverage should include director and officers, employment practices, replacement value for property, basic crime coverage including computer fraud and fund transfer fraud, automobile coverage for hired and non-owned autos and liability coverage's as well as pastoral professional liability. In some instances, a congregation may want additional coverage. The Conference-wide Worker's Compensation insurance will continue as a mandatory program that all churches participate. This insures that all congregations carry this coverage as mandated by state law. It helps provide a cost savings for all congregations by pooling our experience and paying

only a standard fee instead of each church paying a standard fee, and then a fee-based on compensation, job classifications and industry experience.

The Trustees continue to recommend that as a minimum, each congregation carry a \$100,000 sexual misconduct insurance policy. The Conference Trustees will continue to maintain an insurance policy that covers all congregations for claims in excess of \$100,000, up to \$1,000,000/2,000,000 aggregate for each year. The sexual misconduct policy is funded through the apportionments.

The Annual Conference also gave the Conference Trustees permission to purchase for the Central District; a lot, construct a house similar to those constructed for other district parsonages that meet the Conference Parsonage standards for accessibility and function and to mortgage the property if necessary for the cost of such purchase or construction

The Annual Conference also voted to sell the Aldersgate and Golden Valley Campgrounds; the Trustees in consultation with the Conference Board of Camps will begin that process this summer.

The Conference Board of Pensions reported on the impact the economy has had on the pension plans and the funding of these plans. As a result, the Iowa Annual Conference may be required in 2011 to provide extra funding for the Pre '82 plan, the current MPP annuities for retired clergy, and the most recent pension plan. To help make less of an impact in 2011, the Board recommended and the lay and clergy members of the Annual Conference approved two measures. The first is for 2010, local congregations will be billed 14% of their clergy's gross compensation to apply to the Clergy Retirement Security Program. This is an increase of 2% from the current year. Also, the Conference approved paying \$100 per contract for those retired clergy on the Conference Medicare Supplement Insurance plan or the Medicare Advantage Plan. Currently, the Conference is apportioned two thirds of this cost. The change means that each individual will be asked to contribute about \$20 more per month to participate in the Conference retiree health insurance plans.

Pre Retirement Seminars

Storm Lake UMC will be hosting a Pre Retirement Seminar on September 29 and Willard Street UMC of Ottumwa will host a similar seminar on September 30. The seminars will start at 9:30 a.m. All clergy who intend to retiree and be a part of the church's pension retirement plan should attend. The day will include a presentation from the Social Security Administration and an educator from the General Board of Pensions and Health Benefits. There will be a registration fee that will cover the cost of the noon meal. A letter will be going to all clergy in August with more information.

Conference Summer Hours

Beginning July 6 and continuing until September 4, the Conference offices and switchboard will be open from 8:00 a.m. until 5:00 p.m. Monday – Thursday. On Friday, the Conference offices and switchboard will be open from 8:00 a.m. until noon. The offices and switchboard will be closed on Friday afternoon. We are experimenting with the change this year hoping to conserve on energy and other related costs.

How to Avoid a Potential Church Scam

The Federal Trade Commission has issued a consumer alert for churches. The FTC recommends that before a church or agency signs a contract it is important to remember (1) a contract is a commitment. Before you sign anything including a lease, make sure you understand what it is saying. Do not rely on the person making the pitch to sum up the details. They may gloss over obligations outlined in the agreement that can cost your church a lot of money. (2) If a contract says you are financially responsible, take it seriously. A special payment arrangement where a third party reimburses you for payments you make is a sign of a scam. Don't take someone's word that the contract is "standard" or a "technicality." (3) Scammers may look legitimate. They may direct you to websites they've created or they may say they are working with other churches in your area. Don't be swayed by an appearance of legitimacy. Do research on an organization before you do business with it. (4) Never wire back money. In some schemes, scammers send a generous check, asking you to deposit it and wire back a portion or to make a payment right away. Days later when the bogus check bounces, the scammer will have made off with your money. (5) Remember, the goal is to get access to your church's bank account, either by lifting account information from a check or by persuading you to sign up to have payments automatically deducted from the account. Once they have access, they can make oversized withdrawals or completely cleanout the accounts.

Recently, scammers offered computer equipment to the staff of several churches, claiming the cost would be covered by a "sponsor." The church staff had to sign an agreement to lease the equipment, make a

regular payment, and deposit checks from the sponsor to cover the checks the church staff had written. But in the end, the equipment did not work, the sponsor checks bounced and the churches had a lot of money taken out of their accounts.

If your church has experienced a scam like this, report it to the Iowa State Attorney General. Also, you can file a complaint with the FTC at www.ftc.gov/complaint or 1-877-FTC-HELP. (FTC gov. publication, June 2009)

Conference Software Update

After about of year of research and planning, the Iowa Annual Conference will purchase a new software system from Blackbaud, a company based in Charlestown, SC that specializes in not-for-profit organizations. A number of other Annual Conferences use their systems. We are now in the planning stage for our conversion which we hope to have completed in October. As more information is available it will be shared with you.

June Apportionments Receipts

Thank you for making June an excellent month in your giving to ministry beyond the local setting. As you can see from the following chart our receipts for June are 1.2% less than the previous year and 0.68% less than the four year average. When we factor in prior year apportionment payments received, it means our receipts are 0.22% less than last year. Each month I receive many thank you letters from agencies and groups that receive funds we have passed on from you. Telling their stories of response to the need, it makes me proud to be a United Methodist and pleased that our office, in partnership with you, can make a significant difference. Again, thank you for helping make ministry happen in Iowa and around the world.

	2008	4YR AVG	2009
General Church	1,026,785 42.21%	764,115 32.58%	1,064,786 39.17%
Conference Ministries	3,181,036 31.46%	3,299,015 33.07%	3,166,847 30.75%
Conference Missions	909,638 29.03%	820,510 28.45%	907,242 27.25%
Total Apportionments	5,117,459 32.64%	4,883,640 32.12%	5,138,875 31.44%