



IOWA ANNUAL CONFERENCE



TREASURY NOTES

November 2007

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DONOR SUBSTANTIATION

Our office has received a number of calls about donor substantiation of gifts and new IRS rulings. I requested from Conference Auditors some clarification. I received a Tax Guide for Churches and Religious Organizations published by the IRS. That guide states the following:

RECORDINGKEEPING RULES

A donor cannot claim a tax deduction for any contribution of cash, a check or other monetary gift made on or after January 1, 2007, unless the donor maintains a record of the contribution in the form of either a bank record or a written communication from the charity showing the name of the charity, the date of the contribution, and the amount of the contribution.

SUBSTANTIATION RULES

A donor cannot claim a tax deduction for any single contribution of \$250 or more unless the donor obtains a written acknowledgment of the donation from the recipient. A church or religious organization that does not acknowledge a contribution incurs no penalty: but without a written acknowledgement, the donor cannot claim a tax deduction. Although it is a donor's responsibility to obtain a written acknowledgment, the church can assist by providing a written statement that contains the following information:

- name of the church or organization
- date of the contribution
- amount of any cash contribution
- description (but not the value) of non-cash contributions

In addition, the statement must contain wording similar to: "that no goods or services were provided by the church or religious organization in return for the contribution except intangible religious benefits."

Separate contributions are not aggregated for purposes of measuring the \$250 threshold.

QUID PRO QUO CONTRIBUTIONS

A contribution made by a donor in exchange for goods or services is known as a quid pro quo contribution. A donor may only take contribution deductions to the extent that the contribution exceeds the fair market value of the goods and services the donor receives in return for the contribution. Therefore, donors need to know the value of the goods or services. A church must provide a written statement to a donor who made a payment exceeding \$75 partly as a contribution and partly for goods and services provided by the organization. An example: a quilt is purchased at a church auction for \$600. The market value of the quilt if sold in a quilt store would be \$450, the contribution is then described at \$150 and that is what the written description would state.

IN-KIND CONTRIBUTIONS

A donor may give an in-kind gift in which the church donor should seek from the church the proper forms for substantiation. For example: a farmer takes a load of corn to the elevator and tells the elevator to make a check payable to the church. The church could provide a statement that xxx number of bushels of corn valued at \$\$\$ was given.

2008 MEDICARE SUPPLEMENT RATES

The new rates each month will be \$58.90 per person or \$706.80 per person yearly. There are some retirees who pay a higher rate due to the fact that their years of service were less than required. These individuals will need to increase their rates by 7.68%.

A REMINDER

You recently received the 2008 Health Insurance Selection reply form in the mail. Open enrollment is during the month of November and the form must be returned by November 16 if you are changing plans.

The Flex and HSA plan enrollment information was mailed to all active pastors and other conference employees the 26th of October. Please share this information with all of your employees who regularly work 21 hours or more per week and make copies for them if they wish to enroll. The enrollment forms need to be returned to our office by November 30.

UMPIP CONTRIBUTIONS FOR 2008

All pastors and lay employees recently received a Before/After Tax Contribution form along with your quarterly statement from the General Board of Pensions & Health Benefits (GBOPHB). If you wish to change your contribution for 2008 you will need to complete the form, have your treasurer sign it and send a copy to our office so that we can make the necessary changes at the GBOPHB before December 15, 2007 so that your billings from the GBOPHB will be correct for your January 2008 billing. Please call or email Betty Palmer at (515) 974-8921 or betty.palmer@iaumc.org with questions.

DISCOUNT COMPUTER SOFTWARE

In 2000, United Methodist Communications developed a division dedicated to providing UM entities with discounted Microsoft software including the Microsoft Office Suite. The program immediately gained popularity and became better known as TechShop. Over the years, TechShop has grown in acceptance among the denomination by providing more than just Microsoft. Adding partnerships with Adobe, Macromedia, McAfee, Computer Associates, Corel, HP, Cicso, Apple, and IBM allowed ministry organizations to obtain discounts on technology for every aspect of their need; be it solutions for office, Web, graphic, security, networking, or hardware.

While remaining nonprofit, TechShop has extended contract pricing to a broader ministry group--allowing any other Methodist-related, nonprofit organizations to benefit from years of negotiation.

TechShop continues to develop partnerships with new emerging technology providers as well as ministries interested in taking advantage of these pricing discounts.

You can find the TechShop on-line at www.techshopministry.org.

Conference Center and Conference Offices Closed During Thanksgiving Holiday from Wednesday, November 21 at 2:30 p.m. thru Friday, November 23.

REMINDER: The 2007 Church Officer Forms Are Due December 1, 2007. If your Trustees Chair is not elected until January 1, 2008 or after and your form is ready to be mailed in, please note this on the form and send in the name of the chairperson when that person has been elected. Send to Jill Stanton, 2301 Rittenhouse St., Des Moines, IA 50321-3101 or Jill.Stanton@iaumc.org.

EXTRA CONFERENCE JOURNALS are available. Please contact Jill Stanton.

JOURNAL ON THE WEB - To see the Journal on our website go to www.iaumc.org/journal.

FREE SET OF JOURNALS

A nearly complete set of Journals from 1930 to 2006 are free for the taking. You may contact Janet Stephenson at 515-292-2166 or email her at jdsteph@isunet.net.

October Apportionment Receipts

	2006	4 YR AVG	2007
Ministerial Support	3,627,279 62.49%	3,754,778 62.26%	3,687,398 65.20%
Administration	1,625,758 52.31%	1,466,696 52.47%	1,845,626 55.04%
World Serv & Conf. Benev.	2,701,208 46.99%	2,647,353 46.52%	3,060,546 49.46%
Other Ministries	108,591 50.87%	110,136 50.29%	110,306 54.24%
Total Apportionments	8,062,836 54.21%	7,978,963 54.14%	8,703,875 56.51%

Thank you for another good month of contributions for the apportionments. The mission and ministry programs that are supported by your efforts greatly appreciate your faithfulness.

