IOWA ANNUAL CONFERENCE

TREASURY NOTES

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Apportionment Calculations

Within the next few weeks, congregations will receive their share for connectional giving through an apportionment formula. Occasionally, I am asked how the apportionments are calculated.

The formula adopted at the 2006 Annual Conference to be used for 2007 to calculate the Annual Conference and the worldwide church funds for ministry and mission contains the following steps.

1. We use the statistical reports for the recent previous four years which would be 2002, 2003, 2004 and 2005. All church expenses except for giving to United Methodist missions, giving to local community missions, amounts paid on principal and interest, rental expenses for facilities, grants from Conference or District, apportionments paid and capital improvement projects are added together and averaged over the four years. Here's an example:

Year 4	$47,250
Year 3	$49,250
Year 2	$51,250
Year 1	$52,250
Total	**$200,000 Average: $50,000**

2. All local congregations' expenses (minus the exceptions) are added together for all churches in the Conference and are averaged over four years. *Example:*

Year 4	$55,250,000
Year 3	$58,750,000
Year 2	$62,150,000
Year 1	$63,850,000
Total	**$240,000,000**

Average: $60,000,000

3. The Conference apportionment budget is divided by the four-year average of local church expenses to determine a percentage.

Example:

$$\frac{\$15{,}000{,}000 \text{ Apportioned Budget}}{\$60{,}000{,}000} = 25\%$$

4. The percentage of the total church expenses to the apportioned budget is multiplied by the four year average of the local congregation's expenses to determine the total amount of apportionments for that church.
Example: $50,000 X 25% = $12,500

5. The percent of the total for each apportioned fund is determined by dividing each fund by the total amount apportioned.
Example:
Ministerial Support:
$6,250,000/$15,000,000 = 41.67%
Administrative Ministry
$3,500,000/$15,000,000 = 23.33%
World Serv-Conf. Benev.
$4,250,000/$15,000,000 = 28.33%
Black College/Africa University
$1,000,000/$15,000,000 = 6.67%
Total: $15,000,000

6. The total amount of the local church apportionments are multiplied by each apportioned funds' percentage.
Example:
Ministerial Support: $12,500x41.67%=$5,209
Administrative Min: $12,500x23.33%=$2,916
WS-Conf. Benev. $12,500x28.33%=$3,541
Black Coll./Afr. Univ. $12,000x6.67% = $ 834
Total: $12,500

Some important notes to remember with this formula, each congregation's share of the apportioned budget is the same percentage of the identical expenses for each church. Thus, the more expenses paid by a church, the larger the apportionments. However, it is the same percent of expenses for each church large or small.

When the apportionment calculations are sent, each church receives a calculation report that divides expenses into three categories. The first is *a pastoral expense which includes* more than just a pastor's cash salary. It can include the pension and health insurance and other reimbursable or allowances provided to the pastor. This is reported on Worksheet A of the year-end statistical reports.

The other two categories are *program expenses* and *operating expenses.* These are certain items reported on Worksheet B and C of the statistical reports.

In May, each congregation was sent a copy of their statistical information that will appear in the Iowa Conference Journal for the year 2005. Our office asked if corrections needed to be made. We have attempted to make every correction that was appropriate and received in our office. The apportionment calculations have been processed. No other corrections to the 2007 apportionments will be made.

At the 2006 Annual Conference there was a great deal of discussion as to whether the formula for the apportionments should be based on a percent of the local congregation's actual expenses or a percent of a local congregation's actual income. The conversation about the apportionment formula will continue in the next Annual Conference Session.

One of the features of the United Methodist Church is that each congregation is expected to help fund ministry and mission beyond its own community. The precedent was set by John Wesley in the early class meetings when each group supported missions beyond themselves.

Any examination of what we are about as a church and an awareness of our biblical teachings leads to an awareness that any apportionment formula that is used becomes an important part of our stewardship responsibilities. As we become better stewards of the blessings and gifts we receive we are expected to become more willing to share with others.

Staff Announcement

I am pleased to announce that Jeremy Jolly has joined our Conference as the Senior Staff Accountant. He replaces Margaret Biggs who earlier became our Assistant Treasurer/Controller. Jeremy is a graduate of UNI with a degree in accounting and has worked for CAHABA, a Medicare Claims auditing company with offices located in Des Moines. He is responsible for our accounts receivables which includes remittances from local churches. Jeremy can be contacted at Jeremy.Jolly@iaumc.org or 515-974-8923.

Labor Day Closing

Just a reminder that the Conference Offices will be closed Monday, September 4 for the Labor Day holiday.

Apportionment Report

	2005	4 YR AVG	2006
Ministerial Support	2,613,037 43.09%	2,716,459 44.93%	2,595,193 44.71%
Administration	1,021,319 34.90%	934,235 36.10%	1,105,912 35.58%
World Serv & Conf. Benev.	1,779,839 31.40%	1,807,202 32.18%	1,814,606 31.57%
Other Ministries	78,561 36/43%	82,270 36.77%	78,167 36.62%
Total Apportionments	5,492,756 36.93%	5,540,167 38.28%	5,593,878 37.61%

Moving Season

Moving season for clergy is now coming to a close. If you moved this year and had a good or bad experience with the movers on our approved mover's list, our office would like to hear from you. Please send it to Cynthia Daivis at Cynthia.Davis@iaumc.org or to the Treasurer's Office, Attn: Cynthia Davis, 2301 Rittenhouse St. Des Moines, IA 50321. Hearing from you will help to improve the process.

Also, if you received damage during your move, please report it to the moving company and our office as well. The Conference carries the insurance for the moves. An estimate of the repair or replacement should be submitted to the Conference Office. The Conference will pay the $500 deductible for you and the balance is paid by the mover. However, it is important to report this right away in order to be clear that it was a moving error and not something that occurred after the move. Thank you for your cooperation.