IOWA ANNUAL CONFERENCE

TREASURY NOTES

February 2006

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2005 Apportionment Receipts

On January 9, 2006 we closed the receipts for 2005. The apportionments received totaled $12,203,684 compared to the same date last year which was $12,307,719. This represents a 0.99% decrease from the previous year.

The largest decrease occurred in Ministerial Support Ministries. In 2005, the Conference received 87.60% compared to 89.6% for 2004. Administrative Ministries' apportionment receipts for 2005 reflected a slight percentage increase from 2004. The percent for 2005 was 80.75%; in 2004 it was 80.33%. World Service and Conference Benevolences had a slight decrease between 2005 and 2004. The decrease was 77.43% to 76.96%. The Africa University and Black College Fund also reflected a decrease of 1.01% to 77.03% for 2005.

Of the 829 congregations apportioned in 2005, 522 of them paid 100% by January 9, 2006. Also, another 52 congregations paid more than 80% of their apportionments. Since January 9, 2006, an additional 29 congregations have now paid apportionments in full.

Thanks to all of you who so faithfully and sometimes sacrificially support the covenant each local United Methodist congregation and the Conference share.

Taxable Value of Group Term Death Benefit

Our office understands that many of you could not access the website address we provided last month for the calculation of the taxable value of the death benefit.

Let's attempt a different method to access this tool.

Step 1 Access the conference website via www.iaumc.org

Step 2 Find the menu on the left hand side of the home page and click on "Ministry and Services" option.

Step 3 On the pop down menu click on the third option for the "Treasurer's Office."

Step 4 Scroll down the Treasurer's webpage until you find the box entitled "Information Resources."

Step 5 Click on the first option entitled: Taxable Value for Group Term Life Insurance.

Step 6 Answer the questions and the program will calculate the taxable value of the death benefit.

Also, we want to clarify which churches must go through this calculation:

The death benefit plan is automatically provided for all ordained clergy and all full-time local pastors. The death benefit plan is not provided for part-time local pastors and student pastors.

Therefore,

1. If the pastor appointed to your charge is an ordained clergy or a full-time local pastor, you must calculate the taxable value for the death benefit plan.

2. If the pastor appointed to your charge is a part-time local pastor or a student pastor, then your church does not have to calculate a taxable value because there is no death benefit provided to your pastor.

Flex Plan Payments

Flex Plan also known as 125 Cafeteria plan payments should be sent to the Iowa Annual Conference, PO Box 1422, Des Moines, IA 50305.

This is a different PO Box than for the apportionment remittances and for the health insurance and pension's direct bill. The PO boxes for each goes directly to a bank and so the money is deposited immediately in our accounts. It reduces staff time in needing to do deposits, keeps large sums of money out of the conference center which is a good safety measure, and helps improve our management of money. Thank you for your cooperation.

IRS and Non Cash Donations

A person had a number of obsolete computers that he donated to the church. He claimed a charitable

contribution of $15,320. A tax court disallowed the entire contribution for the following reasons:
1. The receipt that was given by the church for the equipment did not contain the necessary information to adequately substantiate the contribution. The receipt did not indicate that any non cash contribution had been made. The receipt should have described the location of the contributions and identify the property contributed. The receipts should have also stated whether the donee provided goods or services as a quid pro quo.
2. Since the taxpayer claimed a contribution deduction in excess of $5,000 for the donated equipment, he is required to obtain a qualified appraisal and attach an appraisal summary (Form 8283, Section B) to his tax return. The person did not do this.

I report this case to you because it provides church treasurers with a useful review of the substantiation requirements that apply to gifts of non cash property.
1. Be sure that any receipt issued by the church complies with the requirements, by naming the gift, its location and that only intangible religious benefits were given in return for this gift.
2. If the value of the gift is greater than $5,000, the donor must obtain a qualified appraisal of the property and attach an appraisal summary to the tax return on which the deduction is claimed. This is done on IRS Form 8283, Section B.
3. The appraisal requirement applies to a donation of any single item of non cash property for which a charitable contributions deduction is in excess of $5,000 or a donation of similar items of property in which the combined value of these similar items is in excess of $5,000.
4. A special note: An exception is made for gifts of stock. No qualified appraisal is required for donations of publicly traded stock, and a qualified appraisal is required for privately held stock only if the claimed value exceeds $10,000.

Record Retention
Our office is often asked how long a church should keep records. The standard for financial records that would be generated by the financial secretary and treasurer would be a minimum of five years. Of course, legal records should be kept indefinitely and insurance policies should be kept until the legal statute of the limitations is reached on the items covered by the policy.

Apportionment History
Each February, the Treasurer's office sends you a copy of the ten-year apportionment payment history for your information. If you have questions, about the history please contact Maggie Biggs in the Treasurer's office at Mbiggs@iaumc.org or 515-974-8936.

Change in Family Status
It is extremely important that when there is a birth, death or any other change in your family, that you contact our office. The change needs to be reported immediately to our health insurance carrier and to the General Board of Pensions. Please forward this information to Betty Palmer in our office at Betty.Palmer@iaumc.org or 515-974-8921.

Check Around the Church
Now is a good time to look around the church and make sure that
- All exits are kept clear
- Hallways and aisles are not being used for storage
- Extension cords are not exposed
- There is enough clearance around fire doors so they can close properly
- Fire extinguishers have been checked and are easily accessible
- Electrical panels are clear and can easily be accessed
- Hazardous chemicals are kept in closed containers and in rooms that can be locked
- Wet floors are mopped and kept dry
- All trash is removed on a regular basis
- Storage shelves can support the weight of the materials on them
- Storage on shelves are stable so that nothing hangs over the edge
- Ladders are safely stored so they will not fall over when a door is opened
- Furnaces do not have clutter around them and filters changed
- Left over food is thrown away in leak proof cans with covers.

These simple things can prevent accidents and help people avoid a trip they do not have to take.

January 2006 Receipts

	2005	4 YR AVG	2006
Ministerial Support	221,144 3.65%	246,307 4.07%	225,454 3.88%
Administration	84,821 2.90%	83,544 3.23%	91,140 2.93%
World Serv. & Conf. Benev.	158,824 2.80%	166,880 2.97%	167,800 2.92%
Other Ministries	8,995 4.17%	11,354 5.08%	10,344 4.85%
Total Apportionments	**473,784 3.19%**	**508,084 3.51%**	**494,738 3.33%**