



# IOWA ANNUAL CONFERENCE



## TREASURY NOTES

**March 2006**

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### **Federal Income Tax Exemption**

As a service to United Methodist organizations, the General Council on Finance and Administration administers "The United Methodist Church Group Federal Income Tax Exemption Ruling" which is contained in the group ruling letter issued by the Internal Revenue Service on October 16, 1974.

The group ruling recognizes certain United Methodist organizations as exempt from payment of federal income tax under section 501(c) (3) of the Internal Revenue Code. Organizations covered by this group ruling are not liable for taxes imposed under the Federal Unemployment Tax Act. Covered organizations are not required to file Internal Revenue Service Form 990.

A copy of the Group Ruling Letter may be used as proof of the tax-exempt status of a covered organization. Persons or corporations making gifts to United Methodist churches and other covered organizations under the Group Ruling Letter may request evidence that the recipient of the gift is a tax exempt organization. A copy of the Group Ruling Letter may be furnished to such persons and a letter certifying inclusion from the GCFA legal department will be furnished upon request. Also, the Group Ruling Letter may be used in obtaining bulk mailing permits from the U.S. Postal Service.

Requests for a letter of certification should be sent to the attention of GCFA Legal Department at 1 Music Circle North, PO Box 340029 Nashville, TN 37203-0029, phone, 615-369-2337, fax 866-246-2516 or e-mail [legal@gcfa.org](mailto:legal@gcfa.org).

Organizations that are covered include local United Methodist churches and local United Methodists church agencies, commissions, committees and officially affiliated organizations; annual conferences and divisions and departments; annual conference agencies, commissions, committees, their

divisions, departments, and other related organizations.

Covered organizations need take no further action to acquire exemption from federal income tax.

The following types of institutions and organizations are excluded from coverage within the Group Ruling: (1) Hospitals, nursing homes, children's homes and other health-care facilities (2) Universities, colleges and other educational institutions (3) Non-denominational organizations headquartered in local churches, such as day-care centers, extended care facilities, and senior citizen organizations where such organizations are not an integral part of the local church in which they are located (4) Some recreational facilities (5) Ecumenical groups such as a community food pantry operated by local churches of different religious denominations.

The question may be asked how an organization that is not already included in the Group Ruling applies for inclusion. The request would need to be forwarded to the General Council on Finance and Administration with attention to the legal department. Remember a local United Methodist church is automatically covered and does not need to file an application. When a group applies to be part of the Group Ruling, it should include the following information (1) a statement giving written authorization to GCFA to add the organization to the roster that is on file with the IRS (2) a statement that the organization is not a private foundation (3) a copy of the Articles of Incorporation of the organization and a copy of the bylaws or similar structure documents (4) A statement setting forth the source and nature of the funding organization (5) the Employer Identification Number (EIN) of the organization.

It is important to note that all churches and organizations must have their own EIN. This number can be obtained from the Internal Revenue by filing Form SS-4. The EIN functions

as a taxpayer identification number for organizations just as a social security number functions for individuals. The number is used when churches and others pay employee withholding tax and for lay employees social security taxes. Inclusion in the Group Ruling is **not** the same as, and does **not** take the place of EIN. It is also important to note that no church should be using the Conference EIN.

### February Apportionment Receipts

	2005	4 YR AVG	2006
<b>Ministerial Support</b>	640,472 10.55%	637,254 10.54%	614,032 10.58%
<b>Administration</b>	229,380 7.84%	210,566% 8.14%	243,446 7.83%
<b>World Serv. &amp; Conf. Benev.</b>	436,373 7.70%	422,086 7.52%	426,060 7.41%
<b>Other Ministries</b>	24,473 11.35%	17,685 7.90%	21,654 10.14%
<b>Total Apportionments</b>	1,330,297 8.94%	1,287,591 8.90%	1,305,192 8.77%

In addition to the apportionments that have been received for the year 2006, many congregations have sent money to be applied to prior year apportionments. At the end of February that has amounted to \$392,828. Thank you to all who are so faithful to support the mission of the church in your community and beyond. We all share in the great commission of Christ to make disciples and follow the commandment to love one another as Christ loved us. Your gifts help all of us do that in each city and town, in our state and country and around the globe. Thank you so much for your faithfulness.

### Plan to Attend

An invitation from the Conference Board of Pensions will soon be going to each clergy to attend a very special event at this year's Annual Conference. On Wednesday, June 7 at 6:30 p.m. after the Clergy Executive Session, you are invited to a buffet meal provided by the Conference Board of Pensions. After the meal you will have the privilege of hearing from a special key note speaker discuss some issues of clergy health and following the speaker, a report from the Board regarding opportunities and possible options within the Conference health insurance program. Please reserve the

date and know that the program will end by early evening for you to enjoy clergy fellowship. A letter of invitation with reservation requests will be coming to you within the next few weeks.

### ATTENTION TREASURERS

Due to some workload issues, there will be one or two days of remittances that will not be entered when we close March. If you have remits that we receive approximately March 30 and 31, they will show on your April Church Remittance Statement. See the commentary at the bottom of your March Statements for the specific dates excluded.

I am often asked, "Where do we find the advance/project numbers?" You can find many of them on our website along with lots of other good information. Go to [www.iaumc.org](http://www.iaumc.org). Then click on Ministries & Services and then Treasurer's Office. Under Apportionment Resources you'll find interpretation materials, information about Special Sundays, where your church's apportionments go, current apportionment status for all churches, and much more. Under Information Resources you'll find the 2006 Rainbow Covenant Book and the Advance Specials List along with their numbers! Under Forms you'll find a blank church remittance form which you can print. Contact Maggie Biggs at (515)974-8936.

### E-SERVICE

"This is so cool. I am so glad to be able to do it this way." This is just one treasurer's comment on the newest method of sending the Conference your apportionments and other giving. It is called E-Service and all you need is your computer and the ability to go online. No more writing on the remittance form and stamping the gray envelope.

If you are interested in finding out more information, send me an email message telling me you are interested in the E-Service and I'll send you two Word attachments, one being the Registration Form and one with instructions. Contact Maggie Biggs at [mbiggs@iaumc.org](mailto:mbiggs@iaumc.org).

### One Year Anniversary

It's hard to believe that it has been one year since the Conference Center moved into our new facility. Thank you to all who made this possible. If you haven't been to the Conference Center, please stop by.