



**New York Annual Conference**

The United Methodist Church

# *Church Finances*



# Agenda

- Budgets & Reporting
- Tax Exempt Status
- Employment Taxes
- Tax Reporting
- Investments
- Audits
- Checks & Balances
- Pastoral Compensation
- Clergy Health Benefits
- Clergy Pension Benefits
- CPP (Death & Disability)
- Reimbursement Accounts
- Discretionary Accounts
- Apportionments
- Job Descriptions
  - Financial Secretary
  - Treasurer
  - Finance Committee
- Record Retention
- Resources
- Key Contacts
- GCFA Apportioned Fund Descriptions



# Budgets & Reporting

- Essential component of a well-run church
  - Allows determination that expenses do not exceed anticipated income
  - Provides an excellent yardstick to measure progress in meeting goals
  - Presents a snapshot of financial matters to congregation
- Prepared annually:
  - By Finance Committee member with expertise
  - Based upon Input from Administrative Council and Committees
  - Allowing periodic comparisons with actual data
  - Using QuickBooks or other appropriate software
  - Compared to prior year budget and estimate of current year actual
  - Published in advance and approved at either Charge Conference or at a subsequent Administrative Council meeting
- Should contain *all* income and expenses including apportionments
- Recommendation: Budget clergy move costs every year since new appointments are often unknown at time of budget preparation. If monies are not used – redeploy elsewhere.
- Periodic financial reporting can strengthen Stewardship efforts; some consider lack of reporting to be drag on efforts to promote additional giving



# Budgets & Reporting (continued)

## Include detail of significant components:

- Tithes & Offering
- Other contribution income
- Fees from outside users of church space
- Investment return from money market accounts, bonds and stocks
- Miscellaneous income
- Salaries and health and pension benefits
  - Pastor and associates
  - Program staff - music, education, etc.
  - Administrative staff
  - Sexton and custodial staff
- Pastor and Associates accountable reimbursements
- Pastor move costs
- Parsonage costs
- World service and administrative apportionments
- Program expenses
- Administrative expenses
- Building expenses
- Payments on loans
  - Principal
  - Interest
- Anticipated capital additions
- Miscellaneous expense

Item	Budget	Actual	Variance
1. Tithes & Offering	2,500.00	2,500.00	0.00
2. Other Contribution Income	1,000.00	1,000.00	0.00
3. Fees from Outside Users of Church Space	500.00	500.00	0.00
4. Investment Return	1,000.00	1,000.00	0.00
5. Miscellaneous Income	1,000.00	1,000.00	0.00
6. Salaries and Benefits	1,000.00	1,000.00	0.00
7. Reimbursements	1,000.00	1,000.00	0.00
8. Pastor Move Costs	1,000.00	1,000.00	0.00
9. Parsonage Costs	1,000.00	1,000.00	0.00
10. World Service	1,000.00	1,000.00	0.00
11. Program Expenses	1,000.00	1,000.00	0.00
12. Administrative Expenses	1,000.00	1,000.00	0.00
13. Building Expenses	1,000.00	1,000.00	0.00
14. Loan Payments	1,000.00	1,000.00	0.00
15. Capital Additions	1,000.00	1,000.00	0.00
16. Miscellaneous Expense	1,000.00	1,000.00	0.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>0.00</b>

# Sample Budget Calendar

January	February	March
April	May	June
July	August	September
October	November	December

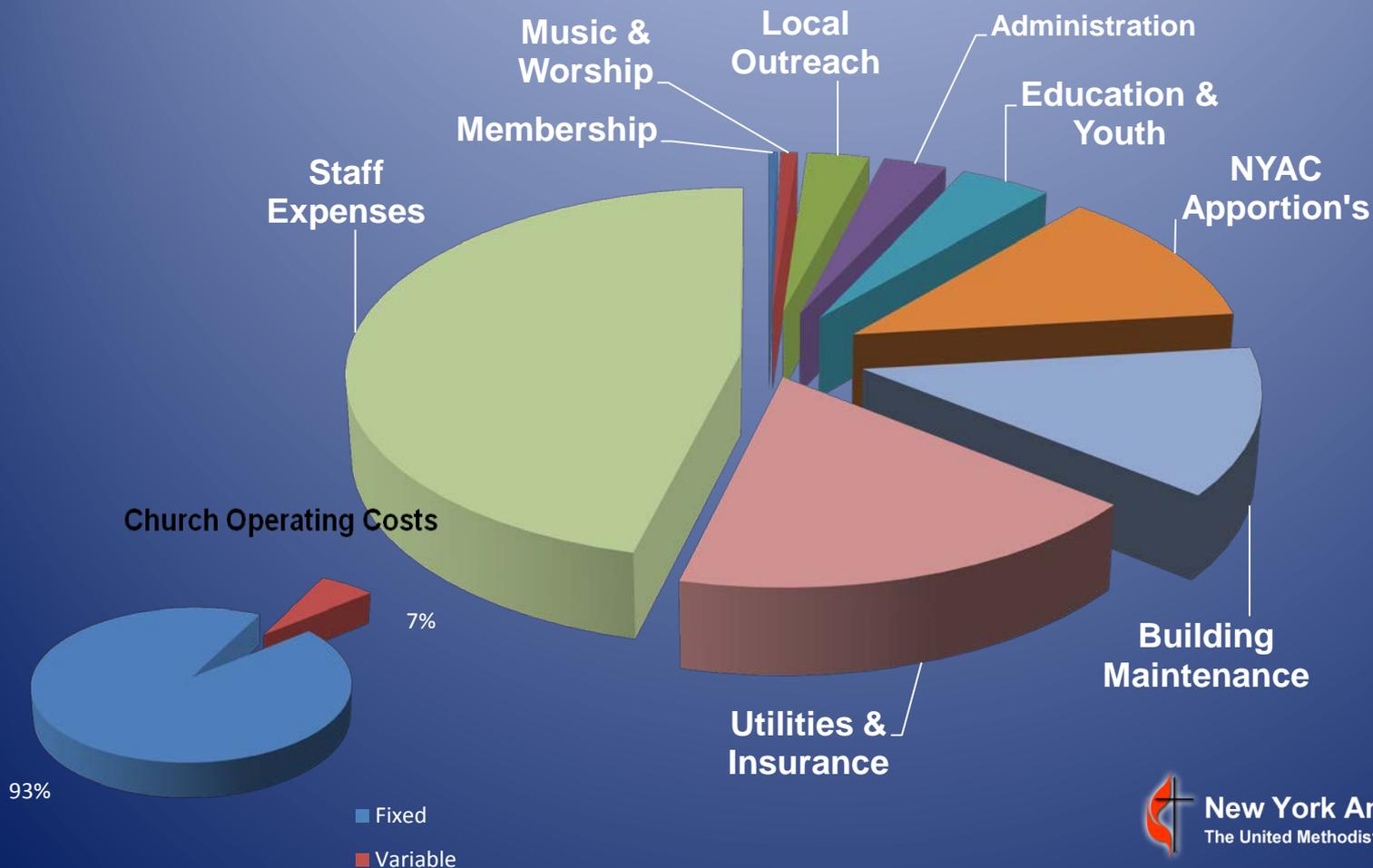
- February to September:
  - Furnish Administrative Council and Committees with a Budget to Actual Report with explanations of variances
  - Project amounts to year-end
  - Determine actions needed to bring actual amounts in line with Budget
- October:
  - Request Committee Chairs to provide input for next year's Budget
  - Obtain from NYAC estimates for next year's HealthFlex, Pension, Insurance
- November:
  - Obtain from NYAC website next year's Apportionment data
  - Compile and distribute draft budget to Administrative Council
- December / January:
  - Revise as may be necessary and obtain Administrative Council Approval
  - Communicate budget to congregation
  - Budget **does not** need Charge Conference approval

# Budget Details

United Methodist Church							
2013 Budget Worksheet							
	2013	2012	2012	Increase / Decrease		Pre-	
	Budget	Budget	Actual	2012 Budget	2012 Actual	School	Budget Notes
<b>Income</b>							
I-1 · Pledges			\$ -				Stewardship
I-2 · Non Pledge Regulars			-				Fin. Sect
I-3 · Loose Plate			-				
I-4 · Christmas/Easter Offering			-				
I-5 · Facility Rent			-				
I-6a · Preschool Facilities Donation			-			Yes	
I-6b · Preschool Insurance			-			Yes	
I-7 · Fund Raising Projects/Tag Sale			-				M&O
I-8 · Designated Contributions			-				
I-9 · Misc, Other Income			-				
I-10 · Interest Income			-				
I-11 · Cell Tower Income			-				Trustees
Sub-total	\$ -	\$ -	\$ -				
<b>A · Administration</b>							
A-1 · Administrative Salary			\$ -			Yes	SPRC
A-2 · Office Supplies			-			Yes	
A-3 · Office Equipment			-			Yes	
A-4 · Postage			-				
A-5 · Communications			-				
A-5a · Telephone - Church			-				
A-5b · Telephone - Parsonage			-				
A-5c · Cable/Internet - Parsonage			-				
A-5d · Other			-				
A-7a · Church's Share of FICA			-				
A-8 · Administration - Misc.			-				
A-9 · Payment Desig. Contribution			-				
A-11a · Workmans Comp			-			Yes	NYAC
A-11b · Insurance Property & Liability			-			Yes	NYAC
A-11d · Umbrella Policy			-			Yes	NYAC
Sub-total	\$ -	\$ -	\$ -				

# Budget Graphs

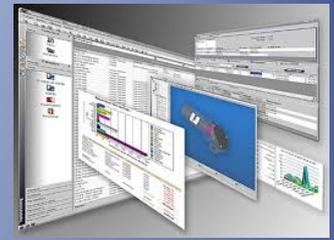
## Church Operating Costs



# Budget vs. Actual

United Methodist Church						
2013 Financial Results						
Year-to-Date Through September 15th						
	A	C	D	E	F	
	YTD	Deposits / Bills	Adjusted		Variance	
	Actual	Outstanding	YTD Actual	Budget	(Fav / Unfav)	Comments
<b>Income</b>						
I-1 · Pledges						
I-2 · Non Pledge Regulars						
I-3 · Loose Plate / Visitor Donations						Includes a \$1,500 donation in June
I-4 · Christmas/Easter Offering						
I-5 · Facility Rent						
I-6a · Preschool Facilities Donation						
I-6b · Preschool Insurance						
I-7 · Fund Raising Projects/Tag Sale						Cancellation of fund-raising dinner
I-8 · Designated Contributions						
I-9 · Misc, Other Income						
I-10 · Interest Income						
I-11 · Cell Tower Income						
<b>Sub-total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>A · Administration</b>						
A-1 · Administrative Salary						
A-2 · Office Supplies						
A-3 · Office Equipment						
A-4 · Postage						
A-5 · Communications						
A-5a · Telephone - Church						
A-5b · Telephone - Parsonage						
A-5c · Cable/Internet - Parsonage						
A-11a · Workmans Comp						
A-11b · Insurance Property & Liability						
A-11d · Umbrella Policy						
<b>Sub-total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	

# Church Software



Visit one of the sites below for church management software solutions:

- QuickBooks Not-for-Profit [www.quickbooks.com](http://www.quickbooks.com)
- ACS Technologies [www.acstechnologies.com](http://www.acstechnologies.com)
- Everlasting Business Solutions [www.everlastingbusiness.com](http://www.everlastingbusiness.com)
- Shelby Systems [www.shelbysystems.com](http://www.shelbysystems.com)
- Shepherd's Staff [www.shepherdsstaff.org](http://www.shepherdsstaff.org)
- Abila (formerly Sage Software Nonprofit Solutions) [www.abila.com](http://www.abila.com)
- Logos [www.logoscms.com](http://www.logoscms.com)
- Church Windows [www.churchwindows.com](http://www.churchwindows.com)
- Christian Computing Magazine [www.ccmag.com](http://www.ccmag.com)

E-mail me ([rwilliams@nyac.com](mailto:rwilliams@nyac.com)) for an article that compares Church Management Software written by the NACBA (National Association of Church Business Administrators)

# Tax Exempt Status



- The United Methodist Church is a Tax Exempt Religious Organization under Section 501(c)(3) of the tax code
  - GCFA applied for and received in 1974 a Group Tax Exemption Ruling
  - Exempt from Federal Income Tax
  - Exempt under most circumstances from filing Form 990 (Return for Organizations Exempt from Income Tax)
  - Donors may deduct contributions on their tax returns

**See Handout “Department of Treasury Group Tax Exemption Ruling”\***

- New York Annual Conference is included in IRS group ruling
- Each church of the NYAC is covered under this group ruling a group 501(c)3 ruling with the IRS (unless separately incorporated)
- Donors may rely on a) listing in IRS publication 78 (online at [www.irs.gov](http://www.irs.gov)) along with GCFA verification that subordinate organization is covered .

**See Handout “Pub. 4573 Group Exemptions”**

- Churches may request a specific inclusion letter.

**See Handout “Request for Inclusion in the UMC Group Tax Exemption Ruling”**

- Questions: GCFA Legal Department at (866) 367-4232 or [legal@gcfa.org](mailto:legal@gcfa.org)

\*All handouts discussed in this presentation can be found here:

<http://www.nyac.com/files/finance/financehandout.pdf>

# Employment Taxes



- Know the difference between an “employee” and an “independent contractor”
  - IRS 20 Questions
- **See handout “Employee or Independent Contractor”**
- Use Federal and State web-sites for Guidance:
  - Internal Revenue Service: <http://www.irs.gov>
  - CT Department of Revenue Services <http://www.ct.gov/drs>
  - NY Department of Taxation and Finance <http://www.tax.ny.gov>
- In general, you must withhold and remit Federal, State, Local and Social Security taxes for:
  - Organist
  - Sexton
  - Secretary & other lay employees
  - Child-care providers (e.g. nursery care during church services)
- Use of an outside vendor (ADP, Paychex, etc) or software program that is updated regularly is critical. Ensures that current withholding rates are applied to compensation and that quarterly payroll records are accurate.



# Tax Reporting Requirements

**Clergy have dual tax status:** Treated as “employees” for tax reporting purposes but as “self-employed” for Social Security tax purposes. No mandatory federal income tax withholding for clergy; income tax withholding can be done at clergy request, but Social Security is never to be withheld for clergy.

## 1) PAYROLL TAXES FOR CHURCHES

### A. Withhold taxes on staff employees, file forms and comply with deposit requirements

1. Federal Social Security (NO CLERGY WITHHOLDING)
2. Federal Income Tax (NO REQUIRED CLERGY WITHHOLDING)  
At the request of the clergy, the employer may withhold income tax for that clergy, pursuant to a Form W-4 and state equivalent of federal Form W-4. (Keep W-4 forms on file).
3. State income tax withholding (requirements vary from state to state)

### B. Quarterly Filing Requirements (April 30, July 31, October 31 and January 31 for the first, second, third and fourth quarters)

1. Form 941 - Federal
2. State equivalent form (may vary from state to state)

**See handout “Form 941 Filing Requirements” - clergy compensation is shown on 941 but no information on Social Security and Medicare wages and Withholding.**



# Tax Reporting Requirements

## C. Annual Filing Requirements

1. January 31: Form W-2 must be given to employees.
2. February 28: Form W-3 must be filed with the Social Security Administration.  
**W-2 and W-3 filings can be made electronically in some cases. For more details go to the Social Security website at <http://www.ssa.gov>**
3. State filing requirements vary from state to state.

## 2) FILING REQUIREMENTS FOR PAYMENTS TO SELF-EMPLOYED INDIVIDUALS

(Such as independent contractors supplying repair or other services to the church)

- A. January 31: Form 1099-MISC must be given to individuals (who receive compensation of \$600 or more).
- B. February 28: Form 1099-MISC must be filed with the IRS
- C. February 28: File Form 1096 with the IRS together with the 1099-MISC forms.

**See handout: “Example of Form W-2 for Clergy”**



# Investments / Financing



- How hard are church funds working?
- An often overlooked / undermanaged source of additional income
- Parish Development Loans / Grants
- City Society Grants
- United Methodist Development Fund:
  - A United Methodist based organization offering fund management and mortgage loans
  - Check them out at: [http://gbgm-umc.org/who\\_we\\_are/ecg/umdf](http://gbgm-umc.org/who_we_are/ecg/umdf)
  - The UMDF accepts investments from United Methodists, sends them an interest check twice a year, then lends that money to United Methodist churches for new construction and/or renovation.
  - The UMDF invests in highly rated fixed income securities only. Its return is wholly predictable, and they charge no management fee. Rates currently range from 1.00% for flexible investment notes to 2.50% for four year notes.
- Frontier Foundation:
  - A United Methodist based organization offering fund management <http://www.umff.org>
  - Invests through SEC-registered investment advisers
  - High quality equities or fixed-income securities
  - Comply with social principles of The United Methodist Church
  - Also offers
    - Stewardship Education programs
    - Planned Giving Seminars
    - Endowment Development
    - Capital Campaign consultation
    - Clergy Financial Seminars

Keith Muhleman, President  
UM Frontier Foundation  
20 Soundview Ave  
White Plains NY 10606  
914-615-2247



**New York Annual Conference**  
The United Methodist Church

# Audits



- An annual Audit is **required** by the *Book of Discipline*:
  - Section 258.4 c) makes it *mandatory* that every local church finance committee "shall make provision for an annual audit of the financial statements of the local church and all its organizations and accounts. The committee shall make a full and complete report to the annual charge conference."
- GCFA publishes the "Local Church Audit Guide." Find it online at: <http://www.gcfa.org/sites/default/files/u3/local%20church%20audit%20guide%202011.pdf>
- You do not need engage a CPA to perform the audit
- An audit is meant to be a process that provides reasonable assurance that good stewardship is being used in handling and accounting for the funds and other assets of the local church.
  - Needs to be "independent"
  - All accounts of all church organizations must be included or separately audited
- Audit reports should be provided to your District Superintendent at time of Charge Conference.

# Audits (continued)

## Why do an Audit?\*

- Because the *Discipline* requires it!
- To protect the people the church elects to offices or financial responsibility from unwarranted charges of careless or improper handling of funds
- To build the trust and confidence with the financial supporters of the church in the way their money is being accounted for.
- To set habits of fiscal responsibility to assure that when there is turnover in personnel there will be continuity in accountability
- To ensure that gifts made to the church with special conditions attached are consistently administered in accordance with the donor's instructions
- To provide checks and balances for sums received and disbursed

## Conducting an audit is not a symbol of distrust

- It is a mark of responsibility
- It is good stewardship demonstrated for all to see
- It is a message to church donors that you care about their gifts

\* From the Local Church Audit Guide

# Check & Balances

GCFA has a section on web-site entitled “Tips for Preventing and Catching Misuse of Church Funds for Pastors/Audit Committees From a Church That Has Been There”

**See handout or download it at:**

<http://www.nyac.com/files/finance/preventingandcatchingmisuseofchurchfunds.pdf>

- The financial secretary and treasurer must be two separate unrelated people.
- The Finance committee should designate two persons (not related and not the Treasurer) to count the offering, giving a record of funds to both the financial secretary and Treasurer (*Book of Discipline* ¶ 262.4 a).
- If your Treasurer is not an accountant or bookkeeper, provide training and consultation.
- Know the requirements of *The Book of Discipline* for areas such as: annual audits, bonding and periodic reporting from the Treasurer.
- Make sure that there is adequate bonding on church officials who handle money. (See *Book of Discipline* ¶ 258.4b)
- Deposit funds promptly. Funds should not wait to be deposited until the usual depositor returns from an absence.
- Consider the establishment of a night-drop for Sunday collections



# Check & Balances (continued)

- Bank statements **should not** be reconciled by individuals that have signing authority on the accounts.
- Minimize the use of petty cash. Establish procedures for the permissible uses of petty cash and maximum amount that may be used at one time.
- Vendor invoices should be approved by the ordering party prior to payment.
- Complete the Fund Balance Report annually OR whenever there is a change in the Financial Secretary or Treasurer.
- Complete audits of **all** church accounts annually (required by the *Discipline*)
  - Trustees - UM Men
  - Endowment - UM Women
  - Operating account
  - Pre-school
  - Brokerage accounts
- Only two areas related to finance should be kept confidential:
  - Records of giving by person
  - Pastor's use of a **Discretionary** Account (not the Reimbursement Account)



# Pastoral Compensation

- Every pastor under **episcopal** appointment is eligible for a minimum salary, reimbursement account and certain benefits.
- Minimum salary schedule available on website: “Resources,” “Forms”
- “DS Hires” are not eligible for healthcare and pension benefits.
- “Retired” pastors that continue to serve do not accrue further pension benefits. Pension and Healthcare costs are **not** billed to the church.
- Commencing 1/1/13 each **retiree** and spouse are provided a conference-funded Health Reimbursement Account (HRA) to offset the costs of obtaining health care directly from providers.
- Staff Parish Relations Committee makes recommendation to church conference regarding Pastoral Compensation based upon:
  - Local cost of living
  - Other forms of compensation (e.g. housing)
  - Other compensation-related obligations
  - Other church related obligations



# Clergy Health Benefits



- Must be under episcopal appointment at  $\frac{3}{4}$  time or greater to be eligible.
- Conference participates in plan provided by the GBOPHB – “HealthFlex”
- HealthFlex costs for Conference are allocated based on a uniform rate **regardless** of number of dependants or participation of eligible clergy
- Uniform rate for 2014:
  - Church \$14,004 / year (approx. 92%)
  - Pastor \$ 1,260 / year (approx. 8%)

(Can be paid pre-tax via if church adopts a Section 125 Cafeteria Plan – e-mail Sally Truglia for forms)

  - Total: \$15,264 / year
- Clergy in NYAC have one of the lowest co-payments of all annual conferences in the denomination
- Clergy may elect a Medical Reimbursement Account (up to \$2,500)
- MRA is “use it or lose it”
- Policies are set annually by the Conference’s Board of Pension and Health Benefits

# Clergy Pension Benefits



For clergy under episcopal appointments serving at least 75%:

- Current plan known as CRSP 2014 (Clergy Retirement Security Program)
- CRSP has both a Defined Benefit and Defined Contribution component
- 10.8% of Plan Compensation for DB / DC for 2014 *administered by Conference*
- Increases to 11.8% for clergy that contribute 1%

For clergy under episcopal appointments serving less than 75%:

- 10.8% UMPIP (DC) contribution *administered by church*
- Increases to 11.8% for clergy that contribute 1%

Contributions based upon “Plan Compensation,” defined as salary plus either: a) 25% of salary if parsonage provided, or b) actual housing allowance.

Pension programs:

- Prior to 1982 = “Pre-82 plan” (Greater of DB or PSR)
- 1982-2006 = “Ministerial Pension Plan” (DC)
- 2007-2013 = “CRSP” (DB & DC)
- 2014-???? = “Restated CRSP” (DB & DC)

# Comprehensive Protection Plan (CPP)

- **Eligibility:**

- Full-time episcopal appointment
- Must earn 60% of Conference Average Compensation (\$37,565 for 2014) or Denomination Average Compensation (\$39,112 for 2014), whichever is less.

- **Benefits:**

- Disability: 70% of plan compensation offset by Social Security benefits
- Death Benefits (Active):
  - Participant: \$50,000
- Death Benefits (Retired):
  - 30% of DAC (Participant: \$18,782 )
- Other Death Benefits (Active or Retired):
  - Spouse: \$12,522 (20% of DAC)
  - Surviving Spouse: \$9,391 (15% of DAC)
  - Child under 18: Annual payment of \$6,261 (10% of DAC)



- **Cost:**

- 3.0% of plan compensation
- 4.4% of DAC for “Special Arrangement” – for those that want to be in the program but are appointed at either 75% or 50% time (Must be enrolled within 90 days of going to less than full-time)

# Pastor Reimbursement Account

- Required under the *Discipline* and NYAC Guidelines
- Provided to cover various costs related to *performing ministry*
- Church determines amount but current minimum is \$5,550.
- Church should have policy with clear guidelines
- Account cannot be divided into installments and paid to pastor
- Disbursement requests must be accompanied by receipts
- Funds remaining at end of year expire
- Examples of Professional Expenses:
  - Auto / travel
  - Books / periodicals
  - Continuing education
  - Conference Fees
  - Dues / memberships
  - Electronic devices (cell phones, PDA's, tablets, etc.)
  - Meals (business only)
  - Move costs that exceed reimbursement



# Pastor Discretionary Account

- Optional - Not required by *Discipline* or NYAC guidelines
- Funded via church budget or special donations
- Details of spending are not required to be disclosed by Pastor
- Spending must be documented carefully by Pastor with records maintained in the event of an income tax audit
- Disbursements must only be for ministry-related expenses
- In the event that funds were not spent on ministry such amounts are considered **taxable income to the Pastor**
- Funds remaining at end of year can be “rolled-over” into next year
- **See handout “A Matter of Good Stewardship: Tips for Handling of a Pastor’s Discretionary Fund”**



# Shared Ministry Apportionments

## *Statistical Tables*

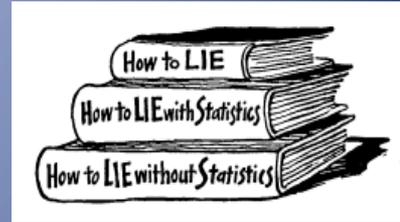


- Three tables:
  - Table 1 – Membership data
  - Table 2 – Financial data
  - Table 3 – Stewardship data
- Used by the both the NYAC and General Church for general information, decision making and to set apportionments
- Certain Table 2 line items form the basis for apportionments
  - Salary paid to Pastor
  - Salary paid to Assoc. Pastor
  - Accountable Reimbursements
  - Salary & Benefits for church staff
  - Program expenses
  - Office expenses
- Data collected via an on-line system
- Available in late February for approx. 6 weeks



# Shared Ministry Apportionments

## *Statistical Tables*



- What happens to the statistical reports we fill out each year?
- Does anybody actually use these reports?
- Does it make a difference if I simply “plug in” some figures that look good?

### Why they matter:

- *The Book of Discipline* requires pastors “to give an account of their pastoral ministries to the charge and annual conferences...”
- Data used by Bishop and Cabinet in the clergy appointment process
- Helps to identify success stories within the conference
- Allows congregations to see themselves as part of a larger picture
- Tool to be used by leaders in the church:
  - Have we taken in new members?
  - Who isn’t attending this year that was last year? What are the reasons?
  - Is our average pledge where we feel it should be?
- Allows the UMC to monitor the membership and financial health of the denomination



# Shared Ministry Apportionments

## *Basics*



- Built on desire and commitment to meet needs of God's family
- Smaller gifts combined into larger ones effect transformative change throughout the world
- Reflect priorities established by the Annual Conference
- Represents requests from Boards, Committees and staff presented to and reviewed annually by CF&A
- Once operating budget approved at Annual Conference – Treasurer's office apportions to each church based upon Conference formula
- Apportionments based upon certain church expenses reported on a two year lag – *not membership rolls*
- Example: Church expenses incurred in 2012, reported in 2013 are used to calculate apportionments charged during 2014
- The 2014 conference budget is \$8,631,382. Of this amount \$8,285,082 is apportioned.



# Shared Ministry Apportionments

## Calculation

**3 OUT OF 2  
PEOPLE  
HAVE  
TROUBLE  
WITH  
FRACTIONS**

Apportionment Base of Church  
Apportionment Base of Conference  
(sum of apportionment bases of all churches)  
= Apportionment factor: xx.x%  
x Conference Budget  
= Apportionment (\$)

Example:

$$\frac{\$125,000}{\$33,000,000} = 0.0037878\%$$
$$\times \$8,400,000 = \$31,818$$

### Apportionment Base (Table II):

- Amount paid to Pastor
- Amount paid to Assoc. Pastor
- Accountable Reimbursements
- Salary & Benefits for staff
- Program expenses
- Office expenses



# Shared Ministry Apportionments

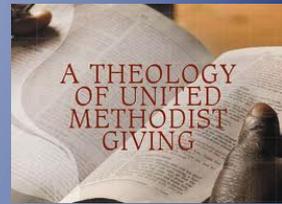
## *Adjustments*



- Apportionment formula set by Annual Conference
- Some churches surprised by their apportionments
- Effort undertaken to scrub submissions for obvious errors and large variations
- Conference has no significant reserve for “mistakes”
- Once numbers are communicated and final it is impossible to make adjustments since they would impact all other churches in the conference (approx. 460)
- Review of data prior to submission is therefore critical
- **Preliminary** posted in June, **Final** posted in late September / early October ([www.nyac.com](http://www.nyac.com) “Finance,” “Apportionments”)

# Shared Ministry Apportionments

## *Where does the money go?*



- **25.1% or \$2,075,486** – **General Church & NEJ Apportionments:** funds the World Service Fund, Ministerial Education Fund, Episcopal Fund, Black College Fund, General Administration Fund, Africa University Fund and the Interdenominational Cooperation Fund. *See "back-up slides" for details.*
- **15.5% or \$1,287,314** - **Conference Administration:** funds the Treasurer's office, Conference Center in White Plains, a portion of Bishop's office/housing, Bishop's Assistant, publications of journals and directories and Conference Secretary.
- **14.8% or \$1,229,727** - **District Superintendents:** funds the costs of the salaries, benefits, office expenses and parsonage maintenance for our six Superintendents and assistants.
- **12.1% or \$999,590** - **Conference Programs:** Funds Connectional Ministries Vision Table, Mission & Outreach Office, website ([www.nyac.com](http://www.nyac.com)), Learning Center, training programs for local churches, district programs (campus, youth, ecumenical, and justice ministries) grants for local programs, and new church development.
- **9.0% or \$746,843** - **Conference Boards & Committees:** funds Conference Sessions, Board of Trustees, Camping & Retreat Ministries, Board of Ordained Ministry, Commissions on Archives & History, Board of Church & Society.

# Shared Ministry Apportionments

## *Where does the money go?*

- **8.3% \$685,793 - Clergy Health Benefits:** funds the costs of Healthcare Reimbursement Accounts for retirees and health coverage for those on incapacity leave.
- **5.3% or \$442,000 - Other Clergy Support:** Funds the cost of salaries supplements for struggling churches, clergy move costs, vocational change assistance and emergency aid.
- **4.6% or \$378,329 – Reserve for Full Funding:** Recognizes that full budget is not collected via apportionments. Reserve to ensure that certain required payments can be funded (e.g. payroll, benefits, taxes for Conference Staff and the costs of retiree healthcare).
- **3.5% or \$290,000 – Parish Development:** Funds grants to local churches for new missional projects and community programs. About half is prioritized as missional grants for ethnic ministry projects and programs.
- **1.8% or \$150,000 – Conference Reserve:** used for unforeseen expenses, emergencies and cash flow management.

**Total 2014 Budget: \$8,285,082**



# Shared Ministry Apportionments

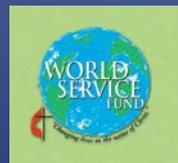
## Conference-paid apportionments

There are **seven** Apportioned Funds approved by General Conference:

	<b>2014 Budget</b>	
• World Service Fund	\$1,052,114	
• Ministerial Education Fund	361,207	
• Episcopal Fund	307,215	
• Black College Fund	144,075	
• General Administration Fund	126,970	
• Africa University Fund	32,242	
• Interdenominational Cooperation Fund	28,235	
Sub-total	\$2,052,058	
• Northeastern Jurisdiction		23,428
Total	\$2,075,486	(25.1% of budget)

For more information go to:

<http://www.gcfa.org/sites/default/files/u3/FinancialCommitment2013-2016.pdf>



New York Annual Conference  
The United Methodist Church

# Apportionment Inserts

- Available at <http://www.nyac.com/inserts>
- Download in pdf format
- Use in newsletters and worship bulletins
- Use to explain where apportionment money goes

**CLERGY BENEFITS**

**Together We Make A Difference Through Shared Ministry Apportionments!**

For more 100 years the General Board and Health Benefits of The United Methodist Church has been responsible for the ad of the retirement, health and welfare benefits programs and funds for more than 74,000 retired clergy and his employees of

One such program is Healthflex, the health insurance program for both active and retired clergy.

Thanks to your committed support, the New York Annual Conference participates in this program with 30 other annual confs provide best-in-class health care access, protection, and support to our NYAC's most-effective, competitive level.

True to Wesleyan values, it is our goal to the quality of health and health care for conference clergy. This integrated health program offers leading-edge wellness benefits, initiatives, incentives and strategies to help clergy become as healthy as possible.



**SCHOLARSHIPS**

**Together We Make A Difference Through Shared Ministry Apportionments!**

Thanks to your support of the as taken on UMI Student Day and We Sunday, students in the New York Conference can receive scholarship college and graduate school.

Each year at our annual June gala University, the recipients are also honored for their achievements.



World Communion Sunday is one Sunday that The United Methodist provides annually as opportunities our regular gifts to our local church

Thanks to your commitment, a funds is then returned to benefit educating our new UMC students who are considering careers in ministry.

**YOUTH MINISTRY**

**Together We Make A Difference Through Shared Ministry Apportionments!**

The New York Annual Conference the Office of Connectional Ministry undertake great youth ministry act "IGNITE '11," an open invitation to a weekend event at the Tacomas In (January 21-23) with great speakers workshops, music, and fellowship.

We financially support "Take the Li school leadership program held at Churches are invited to send their training in local church ministers.



Thanks to your commitment, Co Ministers is also able to support as ambassadors in an annual mission February they will be returning to C photo shown is from the 2013 trip. also supports the Bishop's Center the work of the Conference Committee on Youth Ministry. Check it out at: [www.nyacny.com](http://www.nyacny.com)

**ANNUAL CONFERENCE**

**Together We Make A Difference Through Shared Ministry Apportionments!**

Thanks to your support, clergy a each of our 475 churches gather to business and share in the commu the New York Episcopal area conf conference held each June at Rye Long Island.

This year's four-day meeting was off by the arrival of more than 5,000 members for the "Momentum of M on Saturday. The day began with displays, games and food in the parking lot, and then progressed inside for an parade of banners and the dynamic preaching of Bishop James Swanson D.D. What an incredible time to be a United Methodist here in the NYAC!

Thanks to your support, the clergy and lay come together to a warm and celebrate as the Body of annual meeting provides for lasting connections in ministry well beyond our local churches. The 2011 gathering will be June 8-11.



**DISASTER RESPONSE**

**Together We Make A Difference Through Shared Ministry Apportionments!**

A few years ago, this ministry did a but thanks to your committed su prepared for the unexpected!

Disaster response has been a real by partnering with the United Methodist Committee on Relief (UMCOR), we have been an important continuing presence through reconstruction in Haiti, in N.Y., and when the Superstorm (Cora damaged by fire.

The operational expenses of the C Mission/Outreach office are support Shared Ministry Apportionments. T energy and dedication of our Miss Associate Director, Rev. Joseph Enwezor, the ministry of disaster relief continues to train, plan and respond!



**LEADERSHIP FOR LIFE**

**Together We Make A Difference Through Shared Ministry Apportionments!**

Thanks to your support, young at leaders get help in paying for their through the Ministerial Education & Black College Fund and the Africa MEP supports the 13 United Metho as well as for local pastor courses continuing education, and other pr strengthen the ministry of every cl

The Black College Fund benefits 18 Methodists-related historically Black 15,000 students, including those in conference, are nurtured in environments based on the Christian perspective of community service and social responsibility.

By supporting Africa University, you help educate students and nurture their hopes to become world leaders. Your financial gift is a gift nearly 1,200 African students from

Thanks to your support of shared ministry apportionments, students and clergy are trained for a life of Christian leadership through the work of these three educational funds.



**IMPROVING MINISTRY**

**Together We Make A Difference Through Shared Ministry Apportionments!**

Thanks to your support, the New York Annual Conference has committed to creating 20 new communities of faith in the next three years. The work of six new churches has already begun, including urban and rural settings, and foreign language congregations. Twelve existing congregations will also be chosen as part of a revitalization initiative.

This mission is part of the denomination's focus on four key areas for ministry:

- Combating the diseases of poverty by improving health globally.
- Engaging in ministry with the poor
- Creating new places for new people and revitalizing existing congregations
- Developing principled Christian leaders for the church and the world

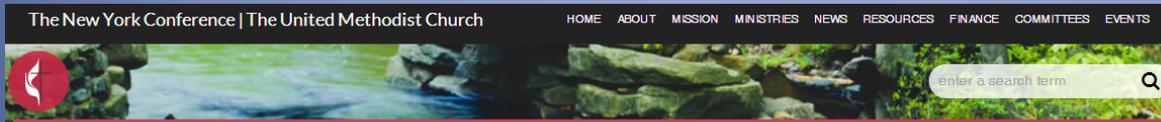
These ministries are raising the bar for the future ministries of the church, both locally and globally. Thanks to your support, the church can be a body of transformed individuals committed to challenging and changing the unjust practices of the society in which they live.



These vision leaders will start six new churches.

# NYAC Apportionment Data

Available at <http://www.nyac.com/apportionments>



The New York Conference / Finance / Apportionments

## Apportionments

### 2014 Apportionments by District:

- Catskill Hudson
- Connecticut
- Long Island East
- Long Island West
- Metropolitan
- New York / Connecticut

[Click here to view apportionments for Conference \(all districts\)](#)

### Treasurer's Remittance Report

Click on either link to download the form: [Word](#) [PDF](#) (This is a fillable pdf - save to your computer, fill in, save again. This document will add up your entries and provide the total. Please do not use commas in the numbers.)

### Fitting the Budget Together

[Click here to read an article about the 2014 budget, and how it all fits together](#)

Select Language  
Powered by Google

### Finance

#### Apportionment

#### Apportionment

#### Apportionment

#### Apportionment

#### Apportionment

#### West

#### Apportionment

#### Apportionment

#### York/Conn

#### Benefits In

#### Connectional Giving

### New York Annual Conference-UMC 2011 Apportionments

CHURCH NAME-DISTRICT	Word Service & Conference Remittances	Grng Budget	Annos	Missional Education	Missi College	Missional Priority	Misc	Total 2011 Apport	2011 Apport
<b>Catskill Hudson District</b>									
18259 BULLVILLE	656	970	688	112	45	37	10	2,469	5,356
18260 CALADON	777	1,149	750	118	58	44	12	2,918	2,615
18268 HANKING	685	1,012	660	117	47	30	10	2,569	2,449
18264 NORTH BRANCH	199	294	192	14	14	11	9	747	418
18267 TILBURNVILLE	1,140	1,686	1,059	154	76	65	17	4,282	4,508
18406 GRAMHAMVILLE	3,532	4,488	2,934	517	306	172	46	11,980	15,126
18407 SUNDOWN	449	648	482	76	81	25	7	1,683	1,518
18407 HARTLEVILLE	890	1,285	838	148	59	40	19	3,262	3,108
18468 WOODBORO	679	1,003	848	100	60	50	18	3,299	3,144
18483 KENCOA LAKE	548	808	528	88	87	81	8	2,036	1,453
18485 FOOTSCALE	520	748	501	89	85	20	8	1,950	1,312
18486 HERRINGSWALLE	790	1,159	752	118	58	44	12	2,926	1,862
18489 KERKONSON FED	1,466	2,167	1,413	250	100	88	22	5,501	4,081
18509 LIBERTY	2,047	3,027	1,874	349	189	116	81	7,483	6,380
18582 MADOKETOWN ST PAULS	7,515	11,111	7,246	1,281	511	426	114	26,254	24,208
18589 MILTON-MARLBORO	3,812	4,896	3,188	565	225	188	50	12,428	10,470
18588 MADENA	4,121	6,052	3,878	708	380	283	68	15,466	14,709
18600 MONTICELLO	3,446	5,094	3,822	587	294	185	51	12,891	13,888
18612 NAINDOCH	1,811	2,478	1,746	300	128	103	28	6,797	6,484
18618 ULSTER HEIGHTS	2,848	3,472	2,264	400	180	138	86	8,813	8,400
18656 MOUNTAIN VIEW	7,042	10,412	6,790	1,201	479	369	107	26,430	25,040
18788 ROCK HILL	2,490	3,977	2,564	469	188	152	41	10,096	10,079
18789 MANNAKATING	324	479	312	55	22	18	5	1,216	1,725
18791 ROSCOE UNITED	405	949	682	112	45	37	10	2,459	1,999
18792 WHEATBELL	204	435	284	50	29	17	4	1,105	1,119
18793 LEW BEACH	0	0	0	0	0	0	0	0	1
18794 LIVINGSTON MANOR	285	421	275	49	19	16	4	1,068	1,018
18795 PARSONVILLE	241	356	252	41	16	14	4	805	466
18828 WALDEN	4,684	6,926	4,517	799	319	265	71	17,580	17,484
18829 MAYBROOK	752	1,112	725	128	51	43	11	3,822	2,724
18838 WESTERHOCKVILLE	549	814	529	84	37	31	8	2,500	1,978
18954 KAUNINGOIA LAKE UMC	397	440	287	51	20	37	5	1,116	2,490
18965 MADONIA VALLEY	724	1,070	698	128	49	41	11	3,716	2,490
18970 WHITE SULPHUR SPRINGS	874	5,545	3,429	642	254	213	57	14,127	8,790
18972 HANNOVERBURG	774	1,144	746	132	58	46	12	3,805	2,524
14206 ANDRES	1,186	1,726	1,126	199	75	66	18	4,882	4,752
14215 RESERVOIR	4,818	6,376	4,128	735	293	244	66	16,186	14,026
14219 ATHENS FEDERATED	600	900	587	104	41	34	9	2,285	2,916
14230 HIGH HILL	708	1,039	678	120	48	40	11	2,497	2,773

Page 1 of 3



# Positions Required in All Congregations

Every congregation must make provision for including these functions according to *The Book of Discipline of The United Methodist Church*, ¶244. Positions may be combined except for the financial functions. "The positions of treasurer and financial secretary should not be combined and held by one person, and the persons holding these positions should not be immediate family members (¶258.4)."

- **Nominations and Leader Development Committee** (¶258.1)
- **Pastor/Staff-Parish Relations Committee** (¶258.2)
- **Trustees** (¶258.3 and ¶2524 to 2550)
- **Finance Committee Chairperson** (¶258.4)
- **Lay Leader** (¶251.1)
- **Lay Member of Annual Conference** (¶251.2)
- **Financial Secretary** (¶258.4)
- **Church Treasurer** (¶258.4)
- **Membership Secretary** (¶234 and ¶235 to 242)
- **Leadership Team** (also called Church Council, Administrative Board) Chairperson (¶251.3)



# Financial Secretary

## Role:

- Receives, records, and deposits funds in a timely, thorough and confidential manner.
- Works with the treasurer and finance committee to develop policies and procedures so that funds can be made available to support the ministry of the congregation.

## Qualifications:

- Skills and interest in financial record keeping; ability to keep detailed, accurate records and maintain appropriate confidentiality; ability to work with individuals and ministry teams.
- Skills in identifying new revenue sources along with an understanding of biblical stewardship and management of all resources that God provides.

## Responsibilities:

- Deposits money as soon as possible after it is received.
- Works according to the guidelines established by the committee on finance to receive funds, record them, and report them to the church treasurer and the committee on finance.
- Maintains records of how much money is given by whom and report amounts received.
- Checks the records against those of the treasurer and keeps records in good order for audit.
- Arranges for collecting offerings received during worship services and other church gatherings at the conclusion of these events, making certain that more than one person is involved in collecting and counting the money.

## More information available at:

- <http://www.gbod.org/lead-your-church/local-church-officer-job-descriptions/resource/financial-secretary>
- See handout “Job Description for the FINANCIAL SECRETARY”



# Treasurer

## Role:

- Disburses funds in a responsible and timely manner, with funds identified and bills paid when due, as directed by the church council.

## Qualifications:

- Should demonstrate skills and interest in financial matters; have the ability to keep detailed, accurate records and maintain appropriate confidentiality; have an understanding of biblical stewardship and management of resources that God provides.

## Responsibilities:

- Disburses all money contributed to the local church budget, keeping accurate records of how money is spent.
- Manages disbursement of funds according to the guidelines established by the committee on finance for total fiduciary responsibility. This includes maintaining compliance with all disciplinary requirements and applicable governmental tax guidelines.
- Works with the Financial Secretary to check the records, quarterly, and keeps records in good order for an annual audit.
- Works with the Financial Secretary and chair of the committee on finance to make regular financial reports to the committee on finance, church council, and the charge conference.

## More information available at:

- <http://www.gbod.org/lead-your-church/local-church-officer-job-descriptions/resource/church-treasurer>
- See handout “Job Description for the CHURCH TREASURER”



# Finance Committee

## Role:

- An effective finance team proposes a budget, then raises, manages, and distributes the financial resources to support and strengthen the mission and ministry of the congregation.

## Qualifications:

- Ability to listen to and communicate with people of all ages who have ideas about the mission and ministry of the congregation. Skills with financial budgetary matters along with understanding of Biblical stewardship and management of the resources God provides.

## Structure:

- Comprised of a chairperson, pastor, lay member of annual conference, chairperson of church council, chairperson or rep. from staff-parish committee, a representative of the trustees, lay leader, financial secretary, treasurer and others determined by the charge conference.

## Responsibilities:

- Compile annual budget to support mission and vision of the church. Submit budget to church leadership for review and adoption. Throughout the year, recommend changes to the approved annual budget to the church leadership team.
- Develop and carry out plans to raise sufficient income to support the approved budget.
- Establish written financial policies for the church
- Recommend proper depositories for church funds; carry out the church leadership team's directions about administration and disbursement of funds; and follow procedures for the church treasurer and the financial secretary.
- Arrange for annual audit of financial records of church and all its organizations and accounts.

## More information available at:

- <http://www.gbod.org/lead-your-church/local-church-officer-job-descriptions/resource/finance-committee2>
- See handout “Job Description for the CHAIRPERSON OF THE COMMITTEE ON FINANCE”



# Record Retention (suggestions)

Document	How Long to Keep (minimum)
• Articles of Incorporation, amendments, bylaws	Permanently
• Certificate of incorporation and corporate records	Permanently
• Minutes	Permanently
• Property records	Permanently
• Contracts and leases	Permanently
• Insurance policies, including expired policies	Permanently
• Insurance letters/correspondence	Permanently
• Audit reports	Permanently
• Employment applications (for current employees)	Permanently
• Bank statements, reconciliations & cancelled checks	7 years
• Invoices from vendors	7 years
• W-2 and 1099 forms	7 years
• Housing allowance forms	7 years
• Business correspondence	7 years
• Personnel records (after termination)	7 years

# Record Retention



- It is important for your church to discuss and adopt a record retention policy.
- When doing so, think about where files will be kept, the security of the environment and the physical conditions.
- Avoid maintaining archives in parishioners homes and in attics or basements where damage can easily occur.
- Reasons to keep documents include legal requirements, future litigation, the needs of the organization and historic importance.
- Retaining insurance policies is of particular importance since lawsuits can reach back many years.
- General Commission on Archives & History Record Retention Guidelines: <http://www.gcah.org/resources/managing-records-of-the-annual-conference-and-local-church>



# Resources

## Discussion Forum

On-line Google Group for NYAC Treasurers

<http://groups.google.com/group/nyac-treasurers>

## Training

Have your church leaders participate in annual District Training days in January/February

## Communication

To ensure that church leaders are receiving communications from the Conference, their names and e-mail addresses must be provided in the on-line Charge Conference Summary Report.

## Websites

New York Annual Conference: <http://www.nyac.com>

General Board of Pensions & Health Benefits: <http://www.gbophb.org>

General Commission on Archives and History: <http://www.gcah.org>

General Council on Finance & Administration: <http://www.gcfa.org>

UMC Association of Church Business Administrators: <http://www.umacba.org>

UM City Society: <http://umcitysociety.org>

UMC Giving: <http://www.umcgiving.org>

GCFA Financial Commitments (how apportionment dollars are used):

<http://www.gcfa.org/sites/default/files/u3/FinancialCommitment2013-2016.pdf>

# Finance Contacts



**Ross Williams** CFO & Director of Admin. Services 914-615-2212 [rwilliams@nyac.com](mailto:rwilliams@nyac.com)



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# Back-up Slides



# General Church Apportioned Funds



The **World Service Fund** is the heart of our denomination-wide ministry, underwriting Christian mission and ministry around the world. This fund strengthens our evangelism efforts, stimulates church growth, expands Bible studies and enriches spiritual commitment. By giving to the World Service Fund we help God's children everywhere shape the lives of tomorrow's leaders and proclaim our Christian faith.

The fund demonstrates the Mission of The United Methodist Church by:

- Supporting specific local church work with children, youth, students, persons who are mentally and physically challenged, adults and older persons;
- Providing leadership and coordination for denominational ministry with youth;
- Continuing nearly 200 years of commitment to quality college and graduate education;
- Certifying United Methodist professional Christian educators, communicators and musicians;
- Assuring United Methodists speak and work to help encourage a more ethical, just & human world;
- Continuing a proud tradition of cooperation and dialogue with other faith traditions through interdenominational and ecumenical work;
- Giving our denomination a presence in the mass media and making new communications technologies accessible to the church.



# General Church Apportioned Funds

## The Africa University Fund:

- continues to develop the first private university for young people in Africa
- offers post-secondary education for students through colleges of agriculture and natural resources, management and administration, theology, education, health sciences, and humanities and social services
- offers post graduate faculties in agriculture, management and administration, theology, health sciences, and peace and governance



## The Black College Fund:

- helps these institutions to maintain solid, challenging academic programs; strong faculties; and well-equipped buildings
- creates vibrant spiritual environments which encourage pride and self-esteem in the accomplishments of African-Americans
- provides opportunities for students to interact with academic staffs that serve as strong cultural and spiritual mentors
- prepares and educates people for the new global and technological world without veering from an academic excellence based on the Christian perspective of community service and social responsibility



# General Church Apportioned Funds



## The Episcopal Fund:

- pays the salaries of our bishops
- pays the expenses of episcopal offices
- supports the costs of providing and maintaining episcopal residences
- provides pension and health benefit coverage for bishops and their families
- provides disability coverage for bishops
- covers the costs of episcopal travel and meeting expenses
- defrays moving expenses
- provides pensions for surviving spouses, and minor children of deceased bishops

## The General Administration Fund:

- implements a trustworthy system of administrative oversight and fiscal accountability
- underwrites the legislative work of the General Conference
- funds the work of the Judicial Council to adjudicate questions of church law
- maintains United Methodism's official documents and historical artifacts
- designates historical shrines, landmarks and sites



# General Church Apportioned Funds



## The Interdenominational Cooperation Fund:

- enables United Methodists to have an effective presence in the activities of several national and worldwide ecumenical organizations
- provides the United Methodist share of the basic budgets of those organizations which relate to the ecumenical responsibilities of the Council of Bishops and the General Commission on Christian Unity and Interreligious Concerns
- pays for the travel expenses of United Methodist representatives to meetings of these organizations

## The Ministerial Education Fund:

- enables churches to unify and expand financial support for the recruitment and education of future pastors and bishops
- quips annual conferences to meet the increased needs of people in the ministry
- accounts for 12 to 20 percent of the annual budget of most United Methodist seminaries
- 25% of the receipts assist candidates for ministry, to support continuing education for pastors and clergy recruitment and to provide financial aid for students in your annual conference.
- 75% is disbursed to the 13 United Methodist seminaries to assist candidates for ordained ministry through scholarships and faculty salaries. It also goes to the General Board of Higher Education and Ministry to support the work of the Division of Ordained Ministry.

