

December 2009  
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 Office of Stewardship, Finance &  
 Administration, Central TX Conference UMC

A newsletter for Local Church  
 Treasurers and Finance Committee  
 Chairpersons.



Lord, our God, all this abundance that we have provided to build you a house for Your Holy Name, it is from Your hand, and all is Yours. 1 Chronicles 29:16

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*Merry Christmas and a Prosperous  
 New Year from the Office of  
 Stewardship, Finance &  
 Administration.  
 May all Jesus is and all He gives  
 bless you this Christmas and always.*

### A Word From the Conference Treasurer

Rev. Harvey Ozmer

### Financially Speaking...

- \* A church that borrows must have a 20 year vision and a 10 year plan.
- \* A pastor / finance committee cannot say "Thank You" too often; an unacknowledged gift will not be repeated.
- \* No task is complete until the paperwork is done.

As Conference Treasurer, I want to thank you treasurers for the work you do in your local church. You provide a great service to your congregation and to Christ's church.

I am pleased to report that 93 of our 305 Conference churches have remitted 100% of their ministry and mission dollars through our connectional apportionments as of October 31st.

- Brownwood District—21 churches
- Fort Worth District—2 churches

- Mid-Cities District—2 churches
- Temple District—18 churches
- Waco District—17 churches
- Waxahachie District—15 churches
- Weatherford District—18 churches

We do have additional churches that paid out in November, but as of this writing November's books have not been closed and those numbers are not yet reported. Thank you to all these churches! Our goal continues to be 305 churches with 100% of

connectional giving dollars remitted by December 31, 2009.

So, treasurers, there are two important dates for you to remember:

1. **Last day to mail apportionments to Conference Office is December 18, 2009.**
2. **Last day to hand deliver apportionments to the Conference Office is January 5, 2010.**

Do your best. If I can help, please let me know.

~ Harvey



**Q: Is there anything that I need to do before the year-end payroll?**

A: Yes. Before the end of the year, be certain that the total of the quarterly reports (941 forms) are going to total the information on the W-2 forms. Particularly, box 1 = wages, box 2 = federal income tax withheld, box 3, 4, 5, & 6 = social security and Medicare wages and taxes. You will find it much easier to verify and correct the information now than after the year is closed. Also, if the W-2s do not agree with the 941 forms then the IRS is going to ask why. Nothing will ruin your day faster than getting a letter from the IRS.

**Q: Our church wants to give Christmas bonuses to our employees and appreciation gifts to the volunteers. Are those taxable?**

A: Bonuses to employees are most definitely taxable. Withhold payroll taxes on all cash and cash equivalents (e.g., gift cards) just as you would regular earnings. Gifts to volunteers totaling \$600.00 or more for the year must be reported on IRS form 1099.

**Q: Do churches have to pay overtime?**

A: Yes. Churches are subject to the same wage and hour regulations as other organizations. The first consideration is to determine if the employees are “Exempt” or “Non-exempt”.

**Exempt employees:** No overtime is paid. Executive job duties:

1. Regularly supervises two or more other employees, and also
2. Has management as the primary duty of the position, (exercising independent judgment and discretion about matters of significance such as:
  - Interviewing, selecting, and training employees;
  - Setting rates of pay and hours of work;
  - Appraising productivity; handling employee grievances or complaints, or disciplining employees; determining work techniques;
  - Planning the work;
  - Apportioning work among employees;
  - Determining the types of equipment to be used in performing work, or materials needed;
  - Planning budgets for work;
  - Monitoring work for legal or regulatory compliance; providing for safety and security of the workplace; and also,
3. Has some genuine input into the job status of other employees (such as hiring, firing, promotions, or assignments).

>>> All clergy (licensed, commissioned, ordained) are considered exempt. <<<

**Non-exempt employees:** Entitled to overtime pay for working over 40 hours in any one week. Work does not regularly or significantly include the “exempt” guidelines. Paid less than \$23,600 per year (\$455 per week). Paying employees on a salary basis, or giving them the title of supervisor or administrator does not automatically make them exempt.

**Q: Is it OK for our church to hire an intern?**

A: Yes, but special rules apply: 1) If an intern receives anything of value from the church (or expects to receive anything of value), he or she is an employee. This includes housing, food allowances, etc.; 2) Cannot displace an employee; 3) No guarantee of job at end of training; and 4) church derives no immediate advantage from intern activities.

## The Church's Role In Getting People Out Of Debt

Rev. Harvey Ozmer

It is not breaking news that America is facing the greatest debt crisis since the Great Depression. The Barna Group released a study in January, 2009 suggesting that 50% of adults agree that Christianity is no longer automatically accepted by Americans as their personal faith, while 44% disagreed and 6% were not sure.

Through nearly three decades, God has slowly been replaced by the 'almighty dollar' as the number one priority in American's lives. Christ specifically warned us of the consequences that come with giving money priority over God.

Today we are facing those consequences. Bob Brooks has said, "If money has been the God of choice, then credit has been its prophet."

How bad is the problem?

- At the end of 2008, American credit card debt eclipsed \$972.73 billion (Neilson Report, April 2009).
- Total debt (excluding mortgages) reached \$2.56 trillion by the end of 2008. (Federal Reserve's G-19 Report, February 2009).
- Personal bankruptcy surged to more than 1 million in 2008. (American Bankruptcy Institute, January 2009).

As disturbing as these figures are, they point to a great opportunity for the church to lead people to find the heart of the matter and teach stewardship.

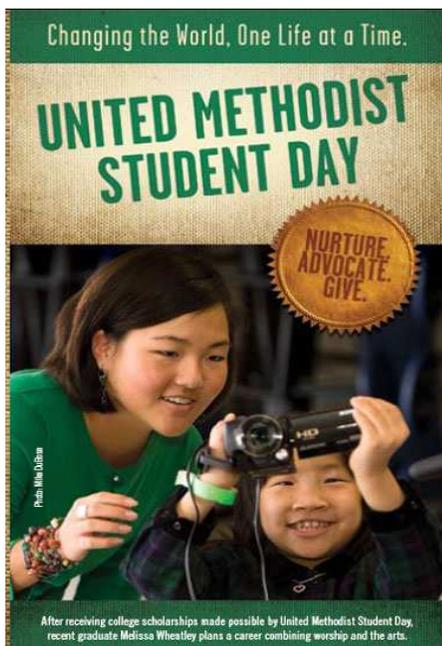
What is your local church Finance Committee and pastor do-

ing to meet this family financial crisis? You have the tremendous opportunity to help your people/congregation to get their lives back from debt in order to give their life back to Christ. Eliminating debt is important so people can serve Christ and the church without financial constraints.

I recommend that you consider offering the 13 lesson course, "Financial Peace University" by Dave Ramsey. A number of our churches have done so and reported wonderful results. There may well be other fine materials available; but, this is one I am acquainted with and know that its results have been very, very good.

## Special Offering Thank You

Rev. Harvey Ozmer



We all know that United Methodists are among the most generous

people. Without a doubt, that is true of Central Texas United Methodists! Historically, our Conference churches have financially undergirded the mission and ministry of our denomination at the 100% apportionment level. That is a remarkable feat, and we thank you for that.

I want to share the wonderful work you are doing with the special offering you received in November or will receive in December—"United Methodist Student Day."

Like many things, college costs continue to rise. Thanks to this special offering, students in our own annual conference have a chance to attain higher educa-

tion. Students attending United Methodist colleges and universities receive scholarships and loans. For a student to be eligible, his/her local church must receive and remit the offering. Please see that your church participates.

This offering made possible scholarships for 30 students from our Central Texas Conference this year. They represent 24 of our local churches. Scholarship awarded to these students totaled \$31,800.00

Again, thank you for supporting our young men and women as they pursue their education in our United Methodist higher educational institutions.

## Charitable Contributions

David Stinson

For a gift to be considered a charitable contribution it must satisfy all seven points below:

1. A gift of cash or other property (non-cash). Donated *services* or *use of property* are not charitable contributions.
2. Delivered to church before the close of the year.
  - a. Date on check does not matter.
  - b. Postmark is the delivery date for mailed donations.
3. No conditions on payment. Donor must release all control over gift.
4. No personal benefit to the contributor or designated person. Personal gifts are not deductible charitable contributions.
5. Made "to or for the use of" the church.
6. Not in excess of the amounts allowed by law.
7. Subject to substantiation.
  - a. Be in writing ( email statements are acceptable).
  - b. Clearly identify donor by name.
  - c. Give date and amount of each donation.
  - d. Describe any noncash property or "out of pocket" expense but with **NO STATED VALUE OR AMOUNT.**

- e. Statement must include wording similar to "*No goods or services (other than intangible religious benefits) were provided in exchange for this charitable contribution.*"
- f. Contemporaneous documentation for the donor.

The above points are just the tip of the iceberg and do not address donation of vehicles, quid pro quo



donations, Form 8282, and other special circumstances. See the IRS publication 526: Charitable Contributions <http://www.irs.gov/pub/irs-pdf/p526.pdf> An excellent video presentation of charitable contribution rules can be seen at

<http://arizona.e-quip.net/presentations/show/1874>

## What is an ARP? - Part Deux

David Stinson

Assume that an employee, church member, or volunteer purchases goods or services for the church. If the church reimburses the individual for the cost of the goods or services, then that church has a reimbursement plan. The only important difference now is that the IRS wants the plan to be written and approved by church action. The written plan needs to detail how reimbursed expenses will be documented [i.e., accountable] or substantiated (amount limits, grace period, advances, etc.) to the church.

Unlike some IRS regulations, the ARP is not

rocket science. A sample ARP policy is on the GCFA webpage: [http://www.gcfa.org/PDFs/TaxPacket2006\(Current\)/Business\\_Expenses\\_and\\_Reimbursement/Accountable\\_Reimbursement\\_Policies/AccountableReimbursementPolicy-LongForm.pdf](http://www.gcfa.org/PDFs/TaxPacket2006(Current)/Business_Expenses_and_Reimbursement/Accountable_Reimbursement_Policies/AccountableReimbursementPolicy-LongForm.pdf)

Another excellent GCFA resource is the ARP Q & A: [http://www.gcfa.org/PDFs/TaxPacket2006\(Current\)/Business\\_Expenses\\_and\\_Reimbursement/Accountable\\_Reimbursement\\_Policies/AccountableReimbursementPoliciesQ\\_and\\_A.pdf](http://www.gcfa.org/PDFs/TaxPacket2006(Current)/Business_Expenses_and_Reimbursement/Accountable_Reimbursement_Policies/AccountableReimbursementPoliciesQ_and_A.pdf)



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The purpose of the Office of Stewardship, Finance and Administration is to provide for the functions of the ministries of the Central Texas Annual Conference, to maintain connectional relationships and to develop, maintain, and administer a comprehensive and coordinated plan of fiscal and administrative policies, procedures, and management services for the annual conference.

**If you wish to have additional copies of the Conference Narrative Budget, which would be a helpful tool for your local church Finance Committee and Administrative Council, please contact Harvey Ozmer or David Stinson in the Conference Office.**

### CORRECTIONS OR SUGGESTIONS

Please contact Harvey Ozmer at [harvey@ctcumc.org](mailto:harvey@ctcumc.org) or David Stinson at [david@ctcumc.org](mailto:david@ctcumc.org) if your email address or any other information needs correcting, or if you have suggestions for future articles.

### Helpful Links

Connectional Giving  
[www.umcgiving.org](http://www.umcgiving.org)

General Council on Finance and  
Administration  
[www.gcfa.org](http://www.gcfa.org)

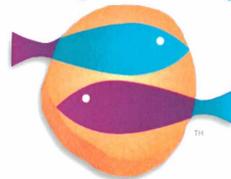
Internal Revenue Service  
[www.irs.gov](http://www.irs.gov)

United States Department of Labor  
[www.dol.gov](http://www.dol.gov)

### Stewardship Manual



*Sharing God's Gifts*



We invite you to go to the Central Texas Conference website to review and download the Stewardship Manual. It has been prepared by the Office Of Stewardship, Finance and Administration to assist you in implementation and renewal of stewardship within your congregation.

Please visit the Conference Website at [www.ctcumc.org](http://www.ctcumc.org) and locate the Stewardship Manual under the Business & Finance heading on the menu bar of the home page.