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2020 Church Finance Topics

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Topics

- **Board of Trustee Topics**
- **Church Incorporation**
- **Church Insurance**
- **Local Church Audit**
- **Moving Expenses**
- **Church Stewardship**
- **Odds & Ends**
- **Resources**

Some Local Board of Trustee Topics

- Handling of bequests – (¶ 2533, item 5) *“Subject to the direction of the charge conference...the board of trustees shall receive and administer all bequests...”*
 - This is when it is good to be incorporated
 - Communicate with charge conference (even ahead of ¶2550 report)
 - Invite UM Foundation to help
- Whether incorporated or unincorporated, all purchases, sales, leases or mortgages of real property must be approved by the charge conference (¶¶ 2536 to 2541 & 2544)
- Store all important legal and insurance paperwork in electronic format accessible to more than one BOT member
- Consider establishing a cemetery association if you have a cemetery – forms are available for simple setup and your DS will help guide you through this process

Church Incorporation

- ¶ 2506 covers the provisions for incorporating local churches, ¶ 2529 gives charge conference authority to incorporate local church
- Chancellor recommends all local churches be incorporated:
 - Banking & **Bequests**
 - Other legal transactions such as purchasing and selling property or filing for grants
 - Protects individuals from liability
- Steps to Incorporation
 - Church Board of Trustees resolution authorizing incorporation
 - Name reservation through Secretary of State
 - Complete Articles of Incorporation and By-Laws using Chancellor's format (available upon request)
 - Obtain review by Chancellor to ensure conformance to Book of Discipline
 - **File document with Probate Judge**

Church Insurance (¶ 2533 (2))

- GCFA recommended minimum insurance coverages updated May 2019
 - http://www.gcfa.org/media/1380/umc_minimum_insurance_requirements_aug2016-1.pdf
- Spend time and effort on assessing coverage amounts needed – *functional replacement value is an approved valuation method* (replacement value chart in Trustees report – ¶ 2550) as required by *Book of Discipline*
- Require either a specific event liability policy or proof of coverage (homeowner's policy or umbrella) that will extend to your church for all third parties wanting to use the church property for events such as weddings, birthday parties, graduation parties or similar
- Cyber insurance is not currently mandated but churches should consider a policy if they store sensitive data in either the cloud or on an electronic device
- Property Insurance Master Program (with Church Mutual) is coming soon as an option for churches to have a group insurance within the Conference

Local Church Audit

- ¶ 258.4(d) of the Book of Discipline makes it **MANDATORY** that every local church finance committee perform an audit but we need them anyway to protect those persons in the local church in offices of financial responsibility, to instill trust in the church membership, provide checks and balances, ensure designated gifts are spent as directed and set habits of fiscal responsibility that mitigate change management issues with staff turnover
- *Every month the bank account should be reconciled to the book balance and this reconciliation should be performed by a person other than the person writing checks and signed by yet another independent reviewer*
- **We have a special audit rate with Warren Averitt CPA's for those audits that require an external CPA firm – call Suzanne Krejcar for more information**
- **Below is the link to the local church audit guide**
 - **http://www.gcfa.org/media/1491/local-church-audit-guide-revaug2017_a.pdf?pdf=Audit-Guide**

Moving Expenses - Tax Cut & Jobs Act

PRIOR TO 1/1/2018

- **§217:** certain moving expenses relating to a job change are an allowable deduction
- **§132(g):** reimbursement of §217 moving expenses by an employer is a nontaxable fringe benefit

EFFECTIVE 1/1/2018 to 12/31/2025

- **§ § 132(g) and 217** are suspended
- **No deduction for individuals**
- **Employer reimbursements/payments are a taxable benefit**
- **Include in W-2 Box 1**
- **Includable in clergy income and therefore should be communicated to Wespath for inclusion in Pension**

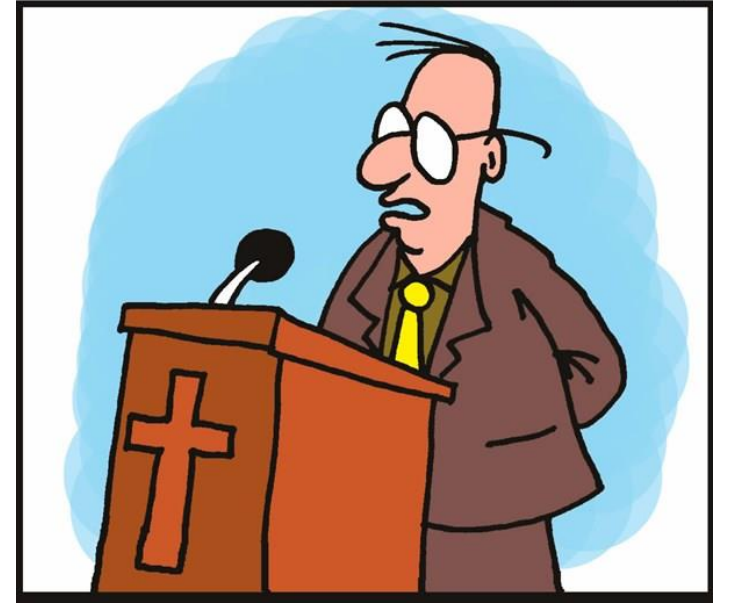


Church Stewardship & Financial Health

<https://www.cokesbury.com/product/9781501835711/the-united-methodist-church-financial-records-handbook-20172020>

- Budget within your means – stay in the black
- Resources of Church Stewardship training (see list)
- Stewardship Ministry Team
 - Share the story with your church of what giving has done
 - Regularly communicate your record of faithful stewardship in worship bulletins, newsletter, online
 - Thank the church

CHURCH OF THE COVERED DISH by Thom Tapp



“Our stewardship campaign is almost over, but we are meeting pockets of resistance...”

Other Odds and Ends

- **Tax on parking lots repealed (UBIT tax)**
<https://www.churchlawandtax.com/web/2019/december/parking-tax-officially-repealed.html>
- **Statistics – every district has District Statisticians who are there to help you – make sure you know who they are and have proper access to EZRA – church info due by 1/31/2020**
 - **Want to see your and others' stats? – go to UMDATA.org**
 - **Link to EZRA login <https://ezra.gcfa.org/>**
- **Apportionments – How they are calculated? Go to our website and see or reference pages 148-149 (Report #9) of the 2019 AWFUMC Book of Reports**
 - <https://www.awfumc.org/awfconferenceconnectionalgiving>

Resources

- <https://www.awfumc.org/financeadministration>
 - **Apportionment results**
 - **Remittance forms**
 - **EAP and Wellness information**
 - **Links to the various local church information**
- <https://www.gcfa.org/forms-and-resources/local-church-forms/>
 - **Min insurance requirements**
 - **Other helpful resources**
- <https://www.gcfa.org/forms-and-resources/legal-forms/>
 - **Group ruling letter**
 - **Leasing by third party of church property**

New Health Programs in 2020

- **Back in October, a video was released by Steve Reneau and BeLinda Carnegie talking about the new programs being offered for eligible clergy and lay staff for 2020**
 - **EAP – Employee Assistance Program offered in partnership with New Directions**
 - **Wellness Program – Offered in partnership with CHC**
- **Eligibility**
 - **EAP – All appointed clergy members/dependents and all conference staff/dependents**
 - **Wellness – Clergy/dependents and laity/dependents enrolled in the Conference health insurance plans**

EAP – Employee Assistance Program

- <https://www.awfumc.org/2020healthplans>
- **Counseling, consultations, crisis support, coaching, adult and child care resources, digital behavioral health tools**
 - **Support Line 1-800-624-5544**
 - **Mobile app (search for New Directions EAP)**
 - **Web – visit ndbh.com and company code: AWFUMC**
 - **Six sessions included with program**
- **Additional Resources**
 - **Work/Life Services – free referral service**
 - **myStrength – Digital Behavior Health Tool**
 - **Talkspace Online Therapy**
 - **Monthly free webinars**

Wellness Program

- <https://www.awfumc.org/wellness-program>
- **Well-being assessment (Biometric Screening & Health Survey) – still required for Clergy**
- **Online resources for health coaching and E-Learning**
- **Wellness Program Rewards - Points for Playing and potential to win prizes**
 - **100 Points – Bronze drawing**
 - **200 Points – Silver and Bronze drawing**
 - **300 Points – Gold, Silver and Bronze drawing**
- **Registration & scheduling for biometric screening is done online by YOU**

Why?

- The Board of Pension & Health is committed to improve your well being
- Clergy are under stress in a normal time, juggling demands of their church with their family demands and 2020 is not a “normal” time
- These programs are free to you but it requires YOU to take the first step – **SIGN UP!**