

# WHERE DOES MY OFFERING GO?

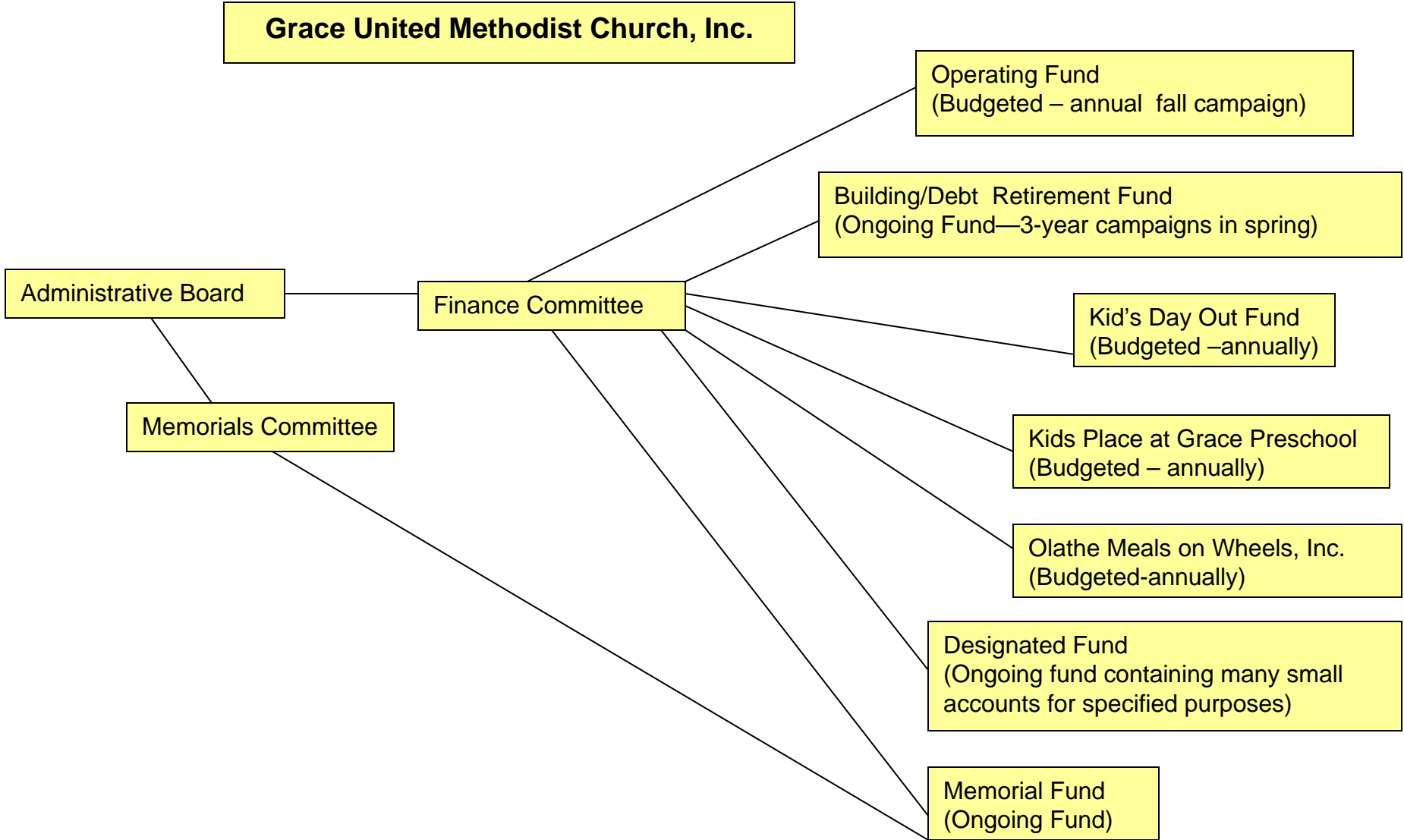
The following presentation will give you an overview of the financial structure of Grace United Methodist Church.



# **Grace UMC – Corporate & Finance Structure**

- ❖ **Three separate corporations**
- ❖ **All have 501C3 Designation defined as tax free within Federal guidelines and IRS codes.**
- ❖ **Each corporation has a Board of Directors and Officers.**
  - **Grace United Methodist Church, Inc.**
  - **Grace United Methodist Church Foundation, Inc.**
  - **Arms of Grace, Inc.**

# Financial and Corporate Structure – GUMC, Inc.



# Grace United Methodist Church, Inc.

**Date of Incorporation: June 1858**

**Age of Church: 150 years**

## **Definition of Budget:**

- Runs for a fiscal year – January 1 –December 31
- Budgets are approved by committee overseeing the ministry, then sent to the Finance committee.
- Eventually all budgets are approved by Administrative Board and finally the Church Conference
- All budgets end December 31. Remaining money is rolled over into the new years budgets.

## **Definition of Ongoing Funds:**

- Ongoing funds function on need, not budget.
- Ongoing funds stay the same after December 31<sup>st</sup>.
- Only Designated Funds, Memorial Funds and Building Fund are in this Category. Building Fund has budgeted items only during a construction project.

# Building Fund

- Purpose: to retire debit on building and to accumulate funds for future expansion.
- \$1.9million
- Terms and interest rate – 10 years, 5.25%
- If there are not sufficient funds, the Operating Fund must make Mortgage Payment.
- Fund also used for Construction Budget.
- Assessments on property for roads, curbs, sewer and water are paid from this fund.

# Designated Fund

- 120 accounts currently active, i.e. Christian Gathering Class, Clothing Closet
- These funds are designated for an express purpose.
- Funds overseen by various ministries spent at their discretion
- The accounts do not disappear but when no longer needed. Any remaining money can be moved to another active account.

# Memorial Fund

- Acknowledgements are sent by the church to donors.
- A list of all donors is then sent to the surviving relatives.
- Finally, a gift is purchased for the church from a list of appropriate church needs.
- Examples:
  - Memorial Garden which included benches, construction and plantings.
  - Bells and bell costs, church bus, listening devices, scholarships – music, academic and youth
  - Restoration of stain glass windows
  - Art work
  - GUMC Foundation
  - Shelving for adult and youth libraries

# Kid's Day Out

- Yearly budget – Jan-Dec
- Funded by enrollment fees and tuition
- Self-sufficient after initial start-up expenses.
- KDO pays yearly support back to the church for custodial and building services.

# Kid's Place at Grace

- New Ministry
- Approved by recommendation from a Congregational Care vision team
- Initial start-up required financial support from the church

# Olathe Meals on Wheels

- In 2007, this ministry was brought under the umbrella for liability purposes.
- Yearly budget
- Self-Sustaining

# Sample Offering Envelope

775 JAN 7 2007

<b>Operating Expense Gifts</b>		<b>Building Debt Retirement Gifts</b>
\$ <u>50</u>		\$ <u>30</u>
Other: \$ <u>20</u>		
For <u>Clothing Closet</u>		
Name <u>Sample Contributor</u>		Phone <u></u>

# Sample Contribution \$100 Offering (Tithe)

Offering Plate

According to The United Methodist Book of Discipline, each Monday morning, two church members count the money and complete the fund forms. The money is counted twice. A third person counts and makes the deposit.

Deposit made at bank

Contributions posted to your own account weekly

Contribution reports are generated quarterly and yearly as statements

Grace United Methodist Church  
 11485 Ridgeview Rd.  
 Olathe, KS 66061

**DATE** 9/30/2007

**ENVELOPE**

**RECORD OF CONTRIBUTIONS**

This is not a bill. Grace UMC anticipates your continuing support of its ministries. Unless otherwise noted, the only goods or services provided are intangible religious benefits. Please check your contributions to insure they have been credited to the fund you intended.

**Contribution Statement Sample**

REFLECTS 2007 GIFTS

MONTH	1 <sup>ST</sup> WEEK	2 <sup>ND</sup> WEEK	3 <sup>RD</sup> WEEK	4 <sup>TH</sup> WEEK	5 <sup>TH</sup> WEEK	TOTAL
July	\$140.00	\$0.00	\$140.00	\$0.00	\$0.00	\$280.00
August	\$140.00	\$140.00	\$0.00	\$0.00	\$0.00	\$280.00
September	\$140.00	\$140.00	\$0.00	\$0.00	\$0.00	\$280.00

ANALYSIS OF CONTRIBUTIONS

DESCRIPTION	Contributions This Period	Contributions Year to Date	Total Pledge	Payments Previous Years	Pledge To Date	Pledge Balance
2007 Operating Fund	\$840.00	\$2,520.00	\$3,360.00	\$0.00	\$2,520.00	\$840.00
Debt Retirement	\$0.00	\$0.00	\$1,440.00	\$605.00	\$1,440.00	\$835.00
Lenten Offering	\$0.00	\$20.00	\$0.00	\$0.00	\$0.00	\$0.00

**Total This Period** \$840.00

**Total This Year** \$2,540.00

11/08

## Other Methods to Give Offering to Church

- ✓ Electronic Transfer (EFTS) authorizes the church to transfer funds from your account.
- ✓ Direct Deposit from your own bank
- ✓ Your offering is cared for as directed by The United Methodist Book of Discipline.

**Yearly Budget 2008: \$1,605,287**

Sources for Budget compiled in November based on results of Stewardship Campaign Guidelines

- ✓ **60% - staff**
- ✓ **15% - building**
- ✓ **15% - missions**
- ✓ **10% - programs**

## Grace United Methodist Church Foundation, Inc.

- **Date of Incorporation:** March 1991
- **Value:** \$2,018,199.60
- Money is invested in T-Bills, a CD for mission only and a Trust Agreement
- Approximately, \$106,000 is granted yearly by the Foundation.
- Foundation Committee meets twice yearly (May and October) to review grant requests.
- Foundation Committee makes recommendations to the Board of Directors of GUMC Foundation, made up of Administration Board Members, who then make the final decisions on the grant requests.
- Grants can't be used for Church operating or budgeted uses – i.e. salaries, utilities
- Grants have been used for the following:
  - \* roof at Center of Grace
  - \* bus purchase
  - \* sound/video equipment
  - \* New Ministries – preschool (Kids Place at Grace)
  - \* parking lot construction and resurfacing
  - \* large building repairs

### Grace United Methodist Church Foundation, Inc.

Foundation Committee  
(Reviews requests recommends to Board of Directors for grants)

Board of Directors – same as Administration Board of Directors

# Arms of Grace, Inc.

Arms of Grace, Inc.

**Date Incorporated:** August 2001

**Purpose:** to apply for grants bypassing the “church” for those large foundations who cannot grant monies to religious organizations.

**Examples:**

- Handicapped ramp on east side of Center of Grace which provides access to services located in the undercroft of Center of Grace
- Portion of child care for Migrant Even Start and English Second Language programs