

Faith & Finance

First Quarter 2022

A publication of the Finance Team of Faith United Methodist Church



2022 FIRST QUARTER INCOME STATEMENT		
	BUDGET THROUGH MARCH	ACTUAL THROUGH MARCH
INCOME		
Giving	\$123,375	\$131,512
Rent	\$23,613	\$24,599
Other Income	\$2,505	\$152
	\$149,493	\$156,263
EXPENSES		
Salaries/Benefits	\$80,846	\$76,590
Mission Shares/Appportionments	\$22,973	\$22,973
Admin.	\$6,007	\$4,986
Youth	\$500	\$137
Education	\$975	\$231
Music/Worship	\$1,460	\$289
Other Programs	\$1,400	\$475
Building	\$35,534	\$29,725
Outreach/Missions	\$12,337	\$11,084
	\$161,733	\$146,490
NET SURPLUS/(DEFICIT)	(\$12,240)	\$9,773
UNREALIZED GAIN/(LOSS)	\$7,661	TBD
NET SURPLUS/(DEFICIT) AFTER UNREALIZED GAIN/(LOSS)	(\$4,579)	\$9,773

Giving is ahead of budget due to the fact that over 11% of folks who made a commitment have "front loaded" their giving and have already completed their giving for the year.

Rental income is slightly ahead because our annual budget anticipates that our Old Bridge property will be vacant for a brief window of time this summer as we prepare the property for new tenants.

Salaries are running slightly under budget because the Organist position was vacant during the month of January.

Program areas are running under budget due to the fact that a number of program activities during the first quarter have remained "virtual."

Building expenses are running under budget because a significant portion of the Trustee budget will be spent this summer when the Old Bridge property is prepared for re-rental.

See details on reverse.

We have not yet recorded gains/losses from our investment income as we only do that annually. At the end of March, the balance was down by \$28,038. That loss is unrealized and reflects a moment in time.

Due to "front-loaded" giving, a vacant staffing position and the expectation of a higher level of spending later in the year, the first quarter of the year has been financially strong.

(Over)

First Quarter Outreach Giving

The church operating budget has supported many organizations during the first quarter, putting over \$11,000 back into the local community and the world:



In addition to these budgeted expenses, we also took up special collections for:

- UMCOR Sunday (\$1,175 to date)
- Board of Childcare (\$100) - late arriving from the 2021 Quarters for Kids collection

- UMCOR
- Interfaith Works
- Rockville Help
- Reconciling Ministries Network
- B-WARM
- Conference Outdoor Ministry
- Community Ministries—Rockville
- Mobile Medical Center
- Manna Food Center
- Making Home Possible (MHP) - assisting victims of the recent fire/explosion in Silver Spring
- Advance #14053A—Eurasia in Mission Together—Ukraine & Moldova
- Advance #982540—International Disaster Response

First Quarter Capital Spending

There were no capital expenditures during the first quarter of 2022. The Trustees have been assessing the capital requirements for obtaining licensure as a commercial kitchen but no capital funds have been expended to date.



Other Ways to Give

How IRAs, RMDs and QCDs can Bless FUMC

Since 2006, legislation has allowed for tax-free use of Required Minimum Distributions (RMDs) for charitable contributions, saving the tax that one would have had to pay when money was taken out of an IRA. These are called Qualified Charitable Distributions (QCDs). These are not tax deductions. The tax benefit is the ability to exclude the distribution from taxable income.

With a QCD, a check goes directly from your IRA to your church. Many from the FUMC congregation make their gifts to the church through their QCD and never have to show it as income.

While Congress recently raised the age for RMDs to 72, QCDs can happen for anyone who has reached the age of 70 1/2. Could this be a good option for you?

Questions? Consult your tax advisor.

What are some benefits of donating stock?

If you donate stock that has increased in value since you bought it more than a year ago – and if you itemize deductions — you can take a charitable deduction for the stock's fair market value on the day you give it away.

You'll also avoid capital-gains taxes on the increase in value over time, which you would have had to pay if you sold the stock then gave the church the cash proceeds.

You can deduct the fair market value only if you hold the stock for more than a year before giving it away. If you've held it for less than a year, your deduction is limited to your cost basis — what you paid for the stock – not the current value.

By donating stock that has been appreciated for more than a year, you are actually giving 20 percent more than if you sold the stock and then made a cash donation. The reason is simple: avoiding capital gains taxes.

Questions or need more specific instructions? Contact Jan Spencer in the church office.

What are your questions?

Do you have questions about the church's finances? They could be questions about giving, expenses or the church budget process. We'd love to address them in a future issue. Email your ideas to Jan Spencer, Financial Manager, at jspencer@faithworkshere.com.