

BUSINESS MANAGER NEWS
Iowa District West Congregations' Mission Receipts



For the Month Ending November 2019	
Anticipated Amount	\$117,200
Actual Receipts	\$116,675
Fiscal Year-to-Date Receipts	
Anticipated Amount	\$1,172,000
Actual Receipts	\$1,124,676
Over (under) anticipated amount	\$(47,324)
Use of Mission Receipts	
Remitted to Synod (45%)	\$527,400
Balance for District programs/operations	\$597,276
Total Receipts	\$1,124,676
Mission Receipts Compared With Last Year	
Month ending November 2019	\$1,124,676
Month ending November 2018	\$1,187,721
Over (under) last year	\$(63,045)

Stewardship Corner - by Ron Chewning - www.StewardshipAdvisors.org – 248.644.6150

GOD GAVE US THE BEST GIFT POSSIBLE WHEN HE GAVE US HIS SON. HIS GIFT ENABLES OUR GIVING.

“For to us a Child is born, to us a Son is given; and the government shall be upon His shoulder, and His name shall be called Wonderful Counselor, Mighty God, Everlasting Father, Prince of Peace” (Isaiah 9:6).



God’s Plan Gives Us Hope for the New Year

Matthew 1:18-21 tells about the events just preceding Jesus’ birth. Verse 22 reads, “*All this took place to fulfill what the Lord had said through the prophet.*” Jesus’ birth was not an afterthought, nor did it occur haphazardly. God had every detail planned, down to the census, the star, and the stable. When the time was right, God sent us His Son. Do you think God is unaware or unconcerned about your future? Hardly! “*For I know the plans I have for you,*” declares the Lord, “*...plans to give you hope and a future.*” (Jeremiah 29:11).

Stewardship Spark / Monthly Mission Moment

The year is almost over, but you still have time to make a year-end gift before December 31, 2019. Reminder: according to IRS regulations, it is the postmark that determines the date of a mailed-in gift, not the date written on the check. If you have a specific ministry you want to support (District missionary partner, IOWAY, Mission Central, Joy in Ministry Scholarship Fund, Kapfer Memorial Scholarship, Disaster relief/LERT fund, Youth Gathering, etc.) write on the check memo the ministry you want to support. [Click here](#) to donate online in IDW or support numerous Synod ministries at www.lcms.org/givenow.

Concordia Plan Services (CPS) Annual Compensation Report

Attention treasurers/financial staff: If you have not already done so, it is time to complete your 2020 Annual Compensation Report (ACR). This very important report is used to help calculate contributions for the plans and benefits for your workers. Make sure your workers are getting the most out of their benefits by correctly reporting their annual compensation. CSP has made the process easier to complete with the new ACR Online Tool – it's faster than ever before! Log into your online tool/portal and complete by December 31. For more information, [click here](#).

Church & Clergy Finance/Treasurers Workshop

If you missed the November workshop, the District is offering another opportunity to learn the latest tax updates. The next FEEE workshop is scheduled for **January 18, 2020 at Trinity Lutheran Church, Jefferson**. The guest speaker will be Mr. Bob Joy, CPA. He has a wealth of knowledge and has nearly 30 years of financial experience. Bob owns his own accounting company specializing in clergy taxes and is the financial manager for a large church.



A special **Concordia Plan Services presentation** will be from 1 to 3 pm. Learn all about the Plans and what is new for 2020. Everyone is welcome to attend.



Thanks to Carole White and Lutheran Church Extension Fund for providing lunch. All program expenses are paid by funds from the District's insurance provider (American Church Group & Brotherhood Mutual Insurance Company). The brochure/registration form is available online; the direct link to register is www.surveymonkey.com/r/treasurer_wrkshp.

Fiscal Year-End District Remittances

Final receipts for 2019 will be received and credited to congregations through January 25, 2020. The District's fiscal period ends January 31, 2020. We ask that all receipts be mailed before the deadline to ensure they will be credited to the correct fiscal period.

Congregation Commitments for 2020

The 2020 Congregation Mission and Ministry Commitment forms have been sent to all 168 congregations. If your church has not yet completed the form or pledge, please do so by January 15. Your intention of support assists us in planning our budget. If you need another copy, print a copy online at www.idwlcms.org (under Ministry Areas click on Stewardship, Annual Mailing, and Commitment Form) or contact Sue@IowaDistrictWest.org.



Receipt Vouchers for 2020

New vouchers for District mission and ministry support will be mailed in mid-January for remittances beginning February 1, 2020. Receipts for non-budgetary agencies (for example, Armed Forces, Camp Okoboji, Lutheran Family Service, Lutherans For Life) should be sent directly to the organization.

Overtime Law Changes for 2020

Beginning January 1, 2020, overtime pay rules will change according to the U.S. Department of Labor (DOL). The federal law will generally require employers, including churches and nonprofits, to pay overtime to employees who earn less than \$35,568 per year (\$684 per week); the current threshold is \$23,660 (\$455 per week). To read the complete federal overtime law report from the DOL announcing these changes, [click here](#).

2020 IRS Form W-4

The IRS has a new W-4 Form for next year. Employees hired on or after January 1, 2020, are required to complete the 2020 W-4. The IRS is encouraging all taxpayers to take this opportunity to review their federal tax withholding information to make any necessary adjustments to income and marital status, as well as review estimated deductions and tax credits. Employees hired before 2020 who don't want to change their withholding do not need to complete a new W-4; however, anyone who does wish to adjust their withholding after January 1, 2020 must provide their employer with the new W-4.



IRS Tax Help

Need tax assistance on the reporting requirements for forms 1099, 1096 as well as Forms W-2 and W-3? You may send your request for assistance to mccirp@irs.gov or call 866.455.7438 to speak to a Customer Service Representative who can assist you with questions concerning information and wage reporting. To access IRS forms and publications, visit the website at www.irs.gov. To order forms and publications through the toll-free forms line, call 800.829.3676 between 7:30 am and 4:30 pm; allow 7-10 days for delivery.

Year-end Tax Forms – Independent Contractors

Now is a good time to double check that you have all the necessary W-9 forms from your payees. A W-9 form should be sent to all payees with whom you may have to issue a Form 1099 Misc for the calendar year. The payee then completes the W-9, showing you their name, address, taxpayer I.D. number, and their business structure, a corporation, partnership, sole proprietor, etc. They should then return the W-9 form to you. This is the information you use to prepare the Form 1099 Misc at the end of the year.

Nearly Every Ministry Must File Form 1099s. Generally, there are three requirements for issuing a year-end 1099 tax form. You must issue a Form 1099 Misc to:

- 1) Service providers (includes medical service providers, accountants, attorneys, snow removal, repair businesses)
- 2) Anyone to whom you have paid \$600 or more in a calendar year
- 3) Individual/Sole proprietor (anyone not incorporated)

In summary, a Form 1099 Misc needs to be sent to anyone who received \$600 or more in a calendar year. These forms must be provided to the payee by January 31 (note the IRS has moved up the filing date for Forms 1099-MISC reporting non-employee compensation in box 7). The reporting date to the IRS will now be the same as the due date for the forms to be issued to recipients, January 31.

Concordia Plan Services (CPS) Tax Time Tips

The 2019 W-2 forms issued to your workers may require Plans information. The following tax tips apply:

1. The "Pension Plan" box needs to be checked for those workers enrolled in the Concordia Retirement Plan.
2. The instructions with the "2019 Cost of Group-Term Life Insurance" explain how to report the Taxable Income Amount on a worker's W-2. Remember to add the FICA amount to the lay worker's paycheck before year-end (if you haven't already). Refer to the Congregational Treasurer's Manual, Chapter 4, section 4.600 regarding Group-Term Life Insurance.
3. Until further notice, we currently are not required to record the cost of health care on the employee's W-2.
4. Remember to include the Vitality Wellness redeemed reward dollars on the W-2 since the noncash wage is subject to FICA/SECA plus state and federal taxes. CPS has mailed the reward report to all employers.
5. Remember to make sure salaries are reported on CPS benefits portal by December 31, 2019.

Completing W-2 Forms

A Form W-2 must be issued to any employee who received compensation from your church in 2019. The forms must be completed by January 31, 2020. Copies of all W-2 forms (copy A) along with the W-3 transmittal (summary) form must be submitted by January 31, 2020 to the Social Security Administration (SSA). It is a good idea to distribute W-2 forms early in January so employees have time to verify the information before sending the forms to the SSA. Some tips to consider:

- Be sure to add cents to all amounts (amounts are without a dollar sign and commas).
- Include in box 1 all wages paid to the employee during the year including: salary, taxable fringe benefits (Concordia Plans group term life insurance), Christmas gifts, and any other income or business expense reimbursements paid under a “non-accountable plan.” Taxable income should not include any housing allowance dollars, the value of the parsonage or any dollars sheltered from income tax by a congregational housing allowance resolution.
- Include in box 14 optional information such as housing allowance, although not required by the IRS.
- To reduce discrepancies, “proof” the amounts reported on W-2, W-3, and 941 forms. Be sure the amounts on Form W-3 are the total amounts on W-2 forms. Reconcile W-3 with your four quarterly 941 forms by comparing amounts reported for income tax withholding (box 2), Social Security and Medicare wages (boxes 3, 5, 7), Social Security and Medicare taxes (boxes 4 and 6). The IRS has added code DD to box 12 to report the cost of employer-sponsored health coverage. This is for your information only and currently is NOT mandatory and NOT taxable.

Churches must submit to the IRS Copy A of each 2019 1099-Misc form issued to self-employed people along with a 1096 transmittal form by January 31, 2020 (same date for paper or electronic filing). To review year-end tasks (if using QuickBooks) [click here](#).

To learn more, consult the Congregational Treasurer’s Manual, chapter 7, section 7.350 and attend the Church & Clergy Finance/Treasurer Workshop on Saturday, January 18 in Jefferson for help with completing forms.

Gifts to Church Workers

Monetary Christmas gifts to church workers from the congregation in most cases represent taxable income and not a tax-free gift. Be sure to report correctly on the recipients W-2 or 1099 the amount of these gifts. Also important to note – donations made by members for these gifts are not included as tax-deductible contributions recorded by the church office.

When a church collects a love offering and informs the congregation that their contributions will be receipted by the church, this requires the individual offerings to be treated as a single distribution by the church. This triggers the rule requiring distributions by employers to their employees to be treated as taxable compensation.

The exception is when members give their pastor or church staff a personal gift for special occasions or Christmas. These personal gifts may be treated as nontaxable gifts by the employee because they were not distributed by the employing church (more info under www.lcms.org/churchoffice Taxes & Ministers, page 12).

IRS expected to Increase 2020 Business Mileage Rate

Mileage Rate



Beginning January 1, 2020, the standard mileage rate used to reimburse workers’ business miles under an accountable reimbursement arrangement will most likely increase, but the IRS has not officially released the numbers yet as of press time.

The accountable reimbursement is the most favorable because the congregation does not have to report the reimbursement as compensation paid to the employee on Form W-2. The employee should document the amount, time and place, business purpose, and business relationship. Employees should substantiate miles at least every 60 days. The rate used for charitable deduction purposes, set by statute rather than IRS, remains unchanged at 14 cents per mile.

Churches may choose to reimburse a lower rate without any tax consequences. If the church chooses to reimburse at a rate higher than the IRS approved rates, the church must add the excess amount to the employee’s taxable income. The latest announcement should be online soon at the To read the complete IRS announcement, go online to www.irs.gov.