Each year we receive questions regarding specific types of income and whether they are truly Operating Income that should be included in Line 52 of Table 3, “Budget/Spending Plan.” The information below is intended to help determine what should be considered Operating Income. If you have questions regarding this, contact Brant Henshaw at bhenshaw@pnwumc.org

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| ***Donations*** |
| **OPERATING INCOME (52)** | **NOT OPERATING INCOME** |
| Donations that are not designated (52 b or c) | Donations for Special Sundays (53d) |
| Donations designated for the General Fund or Operating Budget (52 a, b, or c) | Donations for General Advances or Conference Advances (53d) |
| Donations designated for items in the operating budget (e.g. Donation of $100 designated for church utilities) (52a, b, or c) | Donations designated for special projects that are not in the operating budget (e.g. for camp scholarships or to replace carpet) (53d) |
| Donations of stock, or physical items that are sold whose proceeds are undesignated. (52b or c) | Donations to a Capital Campaign or Debt Retirement (53a) |
| Donations to be passed through to other benevolent organizations (e.g. donations for the Salvation Army, the local food bank/pantry, UMCOR or the like) (53d) |
| Memorial Gifts (53b) |
| Bequests, even if undesignated (53b) |
| Offerings that are designated for special project or another benevolent organization. This should be communicated to the congregation. Examples include:* Christmas Eve offering designated for the local soup kitchen (53d)
* Any change received for the month being designated for camp scholarships (53d)
* Designating 10% of the offering for missions (53d)
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| ***Interest, Dividends, and Investment Related*** |
| **OPERATING INCOME** | **NOT OPERATING INCOME** |
| Interest and Dividends received from investing General Fund Dollars (e.g. CD interest) (52d) | Distributions received from an endowment or trust designated for other than budget support (53b) |
| Dividends received from stock that was donated (52d) | Dividends received from stock that was received through bequest (53b) |
| Income received from land/property that was received through bequest (e.g. farmland bequeathed to a church that rents it out) (53b) |
|  | Change in value of existing investments (25) |
| ***Sale of Church Assets*** |
| **OPERATING INCOME** | **NOT OPERATING INCOME** |
| Proceeds from the sale of stock or physical items that were undesignated gifts to the church (52e) | Proceeds from the sale of stock or physical items that were designated (e.g. stock gift received for the capital campaign) (53c) |
| Sale of non-capital assets that the church no longer needs (e.g. Church selling extra pianos) (52e) | Sale of capital assets (land, buildings, major equipment, vehicles) where the proceeds will be used for debt retirement or purchase of a capital asset (53c) |
| ***Building Use & Rental Fees*** |
| **OPERATING INCOME** | **NOT OPERATING INCOME** |
| Fees charged to groups or individuals for the use of the church building (e.g. Fees for non-members who want to get married in the church) (52f) | Refundable damage deposits paid by groups for use of the church building (listed as a liability)Non-refundable deposits (53c) |
| Lease payments received (e.g. Daycare provider leases space in the church or a cell phone company leases some of the church’s land for a tower) (52f) | Fees charged to groups that are to specifically cover increased costs (e.g. Church charges groups for the custodian’s time in cleaning up after an event) (53c) |
| Income from renting out a parsonage that is no longer being used for pastor housing (52f) |  |
| ***Fundraisers (Net Income) and Other Income*** |
| **OPERATING INCOME** | **NOT OPERATING INCOME** |
| Net Income from Fundraisers that support the church budget (e.g. Turkey Dinners or Pancake Feeds where the net income goes to the General Fund) (52g) | Fundraisers for a specific project not in the budget (e.g. youth selling candy to go on a mission trip) (53d) |
| Net Income from programs where the profits support the church budget (e.g. Church daycare has net income of $1,000/month which is deposited in the General Fund) (52g) | Fundraisers for another benevolent organization (e.g. Turkey Dinner were the net income goes to the Boy Scouts) (53d) |
| Fundraisers to help an individual/family in need (53d) |
| Reimbursements received (e.g. Pastor serving two churches is paid by the larger church. The smaller church reimburses the larger church for their share of the pastor’s compensation) (offset to expense) |
| Grants received (e.g. Grants from the Conference, the Foundation, the government, or another entity. (54a, b, or c) |