

YEAR-END FINANCIAL/TAX CALENDAR

December - **Order FREE tax forms from the state and federal government (see below)**

January 31 - **W-2 statements** must be provided to employees

1099 MISC forms must be provided to payees. See additional information below.

Contribution statements must be provided to all individuals who have donated to the church. This applies to all gifts totaling \$250 or more, and ALL churches, no matter how small. See additional information below.

The *FM Denominational Annual Report* is typically due annually by January 31 and is to be entered on FM Connect. (See FMCUSA Annual Report page)

Employers must send government copies of each W-2 to Social Security Administration with a completed W-3 form.

Payers must send 1099 copies to IRS with a completed 1096 form

FMCUSA Annual report (with financial information) is due - see your senior pastor or let me know if you would like a copy of the finance section showing what is needed.

NOTES>

- When a tax deadline falls on a weekend or holiday, the due date is the next business day.
- Government copies of tax forms should be completed and reconciled with the preparation of the employee and vendor forms prior to mailing them. I HIGHLY recommend that you prepare all copies as early as possible in January and NOT mail the government copies until late in January to make sure that the recipients do not uncover any necessary corrections.
- Keep copies of all accounting records including tax filings for 7 years. All accounting records are the property of the church.
- IRS mileage rate for 2019 is 58 cents.

Tax forms to be issued at year-end (due by January 31)

W-2 forms are to be issued to anyone (all employees and pastors) who received payment from the church. W-2s are due to the recipient no later than January 31 following the tax year. Please see the attached "Notes for Preparing Pastor W2s" document and let me know if there are any questions, or if you need help preparing these.

Order your tax forms FREE from the government...

For IRS forms, call 1-800-TAX-FORM or go to <http://www.irs.gov/formspubs>

State forms are available through your state government office

- <https://www.in.gov/dor/3731.htm> for Indiana
- <https://www2.illinois.gov/rev/questionsandanswers/Pages/395.aspx> for Illinois

1099 forms are required to any individual or LLC that the church (or business) has paid \$600 or more in a tax year. The government considers these individuals *subcontractors*. If you have questions about this, please contact our office. There are significant fines if caught for not filing properly. 1099 forms are also due to the recipients no later than January 31 following the tax year. This applies to all of our churches. Examples would be janitors, outside maintenance/construction workers, paid pianists, etc.

Please review the following link on [How does IRS view an Employee vs Subcontractor](https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee) <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>.

Additionally, please see the attached "Notes for Preparing 1099 Misc" and let me know if there are any questions, or if you need help preparing these.

Note: throughout the year, be sure to acquire all sub-contractor's tax ID numbers and proper mailing address via an IRS W-9 form (found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)

Donor Contribution Statements (due by January 31)

In order for a non-for-profit organization to maintain its non-for-profit status, contribution statements are to be provided to all donors no later than January 31 each year. The following information was taken from www.irs.gov.

- **A donor giving \$250 or more is to be provided a written acknowledgment from the recipient (the church) of the gift.** The written acknowledgment must state whether the donee provides any goods or services in consideration for the contribution**
- A charitable organization must also provide a written disclosure statement to donors of a quid pro quo contribution in excess of \$75. A *quid pro quo contribution* is a payment made to a charity by a donor partly as a contribution and partly for goods or services provided to the donor by the charity. For example, if a donor gives a charity \$100 and receives a concert ticket valued at \$40, the donor has made a quid pro quo contribution. In this example, the charitable contribution portion of the payment is \$60. Even though the part of the payment available for deduction does not exceed \$75, a disclosure statement must be filed because the donor's payment (quid pro quo contribution) exceeds \$75. The written acknowledgment must include a good faith estimate of the value of the goods or services.
- The organization is subject to penalty for not providing required statement(s). Although there is no prescribed format for the written acknowledgment, it must provide sufficient information to substantiate the amount of the contribution. For more information, contact IRS.

** We recommend the following be placed on each statement: *Pursuant to Internal Revenue Code requirements for substantiation of charitable contributions, no goods or services were provided in return for the Tax Deductible contributions.*

Wabash Conference obligation reminders

- **Wabash Ministries Budget Share** – remains at **8%** for **2019**. The 2019 remittance forms will be available late in January (in plenty of time for the preparation of the January 2019 report which is due February 10).
- **FMCUSA Equal Participation Plan (EPP), formerly called FMCUSA Home Ministry Obligations** – The church's obligations are based on the church's annual reports. The rates can be found on our web site (www.wabashconference.org) under *Resources / Finance*
- **Pastor's Insurance** - The Wabash Life, LTD, and AD&D premiums remain at \$32 per month for 2019. Any premium cost of employer provided life ins that exceeds \$50,000 is to be reported on the W-2. Notices will be sent from our office to those affected. Additional *Pastor Insurance* information can be found on our web site under the *Resources / Pastoral Salary & Benefits*.
- **Pension** – premiums remain at 13.5% of pastor's salary package (as defined by the plan). Updated salary information is needed from each church every time there is a change in salary. See the *Pension* section under *Resources / Pastoral Salary & Benefits* for forms and instructions.