

Examples of What IS and IS NOT Operating Income

This listing is to help determine what should be included in Operating Income for the purpose of calculating apportionments. If your church is having troubles making a determination, contact Jeff Pospisil at jeff.pospisil@dakotasumc.org or (605)996-6552.

<i>Donations</i>	
OPERATING INCOME	NOT OPERATING INCOME
Donations that are not designated	Donations for Special Sundays
Donations designated for the General Fund or Operating Budget	Donations for General Advances or Conference Advances
Donations designated for items in the operating budget (e.g. Donation of \$100 designated for church utilities)	Donations designated for special projects that are not in the operating budget (e.g. for camp scholarships or to replace carpet)
Donations of stock, grain, cattle, or the like that are undesignated. Calculate the apportionment on the proceeds of the sale of the donated item.	Donations of a Capital Campaign or Debt Retirement
	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)
	Memorial Gifts
	Bequests, even if undesignated
	Offerings that are designated for special project or another benevolent organization. This should be communicated to the congregation. Examples include: <ul style="list-style-type: none"> • Christmas Eve offering designated for the local soup kitchen • Any change received for the month being designated for camp scholarships • Designating 10% of the offering for missions
<i>Interest, Dividends, and Investment Related</i>	
OPERATING INCOME	NOT OPERATING INCOME
Interest and Dividends received from investing General Fund Dollars (e.g. CD interest)	Distributions received from an endowment or trust.
Dividends received from stock that was donated	Dividends received from stock that was received through bequest
	Income received from land/property that was received through bequest (e.g. farmland bequeathed to a church that rents it out)

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<i>Sale of Church Assets</i>	
OPERATING INCOME	NOT OPERATING INCOME
Proceeds from the sale of stock, grain, cattle, or the like that were undesignated gifts to the church	Proceeds from the sale of stock, grain, cattle, or the like that were designated (e.g. stock gift received for the capital campaign)
Sale of non-capital assets that the church no longer needs (e.g. Church selling extra pianos)	Sale of capital assets (land, buildings, major equipment, vehicles) where the proceeds will be used for debt retirement or purchase of a capital asset
<i>Building Use & Rental Fees</i>	
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)	Damage deposits paid by groups for use of the church building
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)	Fees charged to groups that are to specifically cover increased costs (e.g. Church charges groups for the custodians time in cleaning up after an event)
Income from renting out a parsonage that is no longer being used for pastor housing	
<i>Fundraisers (Net Income) and Other Income</i>	
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)	Fundraisers for a specific project not in the budget (e.g. youth selling candy to go on a mission trip)
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)	Fundraisers for another benevolent organization (e.g. Turkey Dinner where the net income goes to the Boy Scouts)
	Fundraisers to help an individual/family in need
	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)
	Grants received (e.g. Grants from the Conference, the Foundation, the government, or another entity.)