

# Supplemental Table II Instructions

## Allocating Operating Expenses (Line 72b) as

### Local Benevolence (Line 51)

Over the years the conference has considered some local church ministries to be a local benevolence. This policy started with daycare programs. Now most any ministry that reaches out to the greater community falls into this category.

**Please note:** If your church provides any funding support, in any way, to a preschool, daycare, mother's morning out or after school program, the amount your church gives to that ministry should be reported with other programming expenses on Line 71 of Table II.

Typical ministries could include: Daycare, preschool, mother's morning out, after school programs. In addition, any ministry that helps or works with disadvantaged, at-risk, or special needs people could be included. AA, scouting and other non-profit groups could also fall into this category. Contributions or gifts made to the church by these groups disqualifies them from being included in the benevolent usage formula. Vacation Bible School would not be considered as an outreach ministry.

In addition, **only Operating Expenses** (Line 72b) are to be included in the calculations. Pastor's compensation, staffing expenses, maintenance related expenses, etc. have never been considered part of this benevolent conference policy.

In a nutshell, here is how this policy works: You calculate the square feet of space used by a benevolent ministry, determine the number of hours per year that the space is used and calculate a value, based upon your total operating expenses and subtract the resulting dollar figure from Line 72b and add the same dollar amount to Line 51, local benevolences.

Here is the formula worksheet to use: <https://nccumc.org/treasurer/wp-content/uploads/sites/5/benevolentcalc.xlsx>

$$(x \text{ divided by } y) \text{ times } (a \text{ divided by } b) \text{ times } c = d \quad (x/y)*(a/b)*c=d$$

x = sq. feet of space in church used by the local benevolence

y = total sq. feet of the church (Entire church structure, all floors and all buildings)

a = hours per week X number of weeks per year space is used by the local benevolence

b = 12 hrs. \* 365 or 4380 hours per year (**This number has changed from the one used in the past**)

c = Total operating expenses of the church

d = Amount to be allocated from the operating expense line (72b) of Table II to the local benevolence line (51) of Table II

### Example Calculation

Your benevolent ministry uses 1200 sq. feet (x) of the total 15000 sq. feet of your building (y)

The ministry meets 5 days a week from 6:30 am until 3:30 pm for 40 weeks.

(a) in the formula is: 5 day \* 9 hrs. \* 40 weeks = 1800 (a)

Total operating expenses is \$25,000 (c)

$(x/y)*(a/b)*c=d$

So,  $(1200 / 15000) * (1800 / 4380) * \$25,000 = \$822$  (Rounded to the nearest dollar)

$(0.08) * (0.4109) * 25000 = \$822$  (Rounded to the nearest dollar)

**You will need to use this formula for each benevolent ministry in your church.**

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