



HOUSING RESOLUTION INSTRUCTIONS

When reporting gross income for federal income tax purposes, clergy can exclude a portion of their income designated by their church or salary paying unit as a "housing allowance" under Section 107 of the Internal Revenue Code (IRC). The housing allowance is sometimes called a "parsonage allowance" for clergy who are provided with a parsonage and a "rental allowance" for clergy who rent their home. Refer to the Housing Allowance Q&As for more information explaining what the housing resolution is: http://s3.amazonaws.com/Website_GCFA/services/legal/HousingAllowanceQAs.pdf

Completing the Housing Allowance Resolution:

1. Each church will enter the church name on "Name of Church" line.
2. Each church will check either Church Council or Charge Conference and enter the day, month, and year the resolution was approved by church council or charge conference vote. Approval of this resolution shall be included in the minutes of either the church council meeting or charge conference.
3. Enter the pastor's name.
4. Enter total compensation. This is the base compensation/salary only paid to the pastor, reflected as an annual amount. This amount will be reduced accordingly should the resolution/compensation be established after January 1.
 - Multipoint Charges shall reflect total annual amount to be paid by all churches in the charge. Regardless of the number of paying units, for payroll processing see the final compensation worksheet packet provided by the district office.
5. Enter dates when the resolution will begin through December 31 of the year the resolution begins.
6. Check and enter each section that may apply:
 - ✓ **Amount designated by pastor for housing-related expenses:** enter the total amount as an annual amount and dates that match the total compensation period entered on step 5. This amount will be reduced accordingly should the resolution/compensation be established after January 1. Multipoint charges shall reflect total annual amount designated by pastor. Regardless of the number of paying units, for payroll processing see the final compensation worksheet packet provided by the district office.
 - ✓ **Parsonage provided by church for the pastor:** enter the address of the parsonage that is provided and the current year.
 - ✓ **Amount paid by the church for housing allowance in lieu of parsonage:** enter the total annual amount to be paid by church and dates that match the total compensation period entered on step 5. This amount will be reduced accordingly should the resolution/compensation be established after January 1. Multipoint charges shall reflect total annual amount to be paid by all churches in the charge. Regardless of the number of paying units, for payroll processing see the final compensation worksheet packet provided by the district office.
7. Print document to be signed by Church Council Chairperson or Charge Conference Presiding Elder/DS and the Church Council Secretary or Charge Conference Secretary.
 - Multipoint charges shall each sign a resolution for their church if each church is a salary paying unit and/or each church is paying any portion of the housing allowance in lieu of parsonage.
Example 1: Church A, Church B, and Church C each are salary paying units and pay a portion of the housing allowance in lieu of parsonage. Each church must complete, approve, and sign a resolution.



Example 2: Church A, Church B, and Church C each are salary paying units and do not provide a housing allowance in lieu of parsonage but the pastor has designated housing-related expenses. Each church must complete, approve and sign a resolution.

Example 3: Church A is the paying unit. Church B and Church C give Church A amounts designated as housing allowance paid in lieu of parsonage to be paid to the pastor. Each church must complete, approve, and sign a resolution.

- Multipoint charges with one salary paying unit and provides a parsonage shall gather signatures from the salary paying unit church and/or the church providing the parsonage.

Example 4: Church A is the paying unit and provides the pastor a parsonage. Only Church A completes, approves, and signs a resolution.

Example 5: Church A is the paying unit, does not provide the pastor a parsonage, and the pastor does not have designated housing-related expenses. Church B provides the pastor a parsonage. Church B completes, approves, and signs a resolution.

Example 6: Church A is the paying unit and does not provide the pastor a parsonage, but the pastor has designated housing-related expenses. Church C provides the pastor a parsonage. Church A and Church C must each complete, approve, and sign a resolution.



HOUSING ALLOWANCE RESOLUTION

Name of Church: _____

The chairperson/presiding elder informed the meeting that under the tax law, a minister of the gospel is: (1) not subject to federal income tax with respect to the housing allowance paid to him or her “as part of his or her compensation to the extent used by him or her to rent or provide a home” and (2) not subject to federal income tax on the rental value of a home supplied rent-free to him or her.

The ___ Church Council / ___ Charge Conference on the ___ day of _____, 20 ____, by a motion duly made and seconded, adopted the following resolution:

_____ shall receive total compensation of \$ _____ for the period _____ through _____.

Check all that apply.

___ **Amount designated by pastor for housing-related expenses:** Of the above-noted compensation amount, \$ _____ is hereby designated as housing allowance and excluded from reportable compensation under Section 107 of the Internal Revenue Code for the period _____ through _____.

___ **Parsonage provided by church for the pastor:** The above-named pastor shall also have rent-free use of a home, located at _____ for the period _____ and for every year thereafter so long as he/she is minister of the church/charge unless otherwise provided.

___ **Amount paid by the church for housing allowance in lieu of parsonage:** In addition to the above-noted compensation, \$ _____ is hereby designated as housing allowance and excluded from reportable compensation under Section 107 of the Internal Revenue Code for the period _____ through _____.

Signatures:

Church Council Chairperson or Charge Conference Presiding Elder/DS

Church Council Secretary or Charge Conference Secretary