

Housing Allowance Resolution

(To be inserted in the minutes of the meeting)

The chairperson informed the meeting that under Section 107 of the Internal Revenue Code, a minister of the gospel is allowed to exclude from gross income for federal tax purposes:

1. the rental value of a home furnished as part of compensation (a.k.a. parsonage); or
2. a housing allowance paid as part of compensation, to the extent used to rent or provide a home and to the extent such allowance does not exceed the fair rental value of the home (including furnishings and appurtenances such as a garage) plus the cost of utilities.

The **charge conference/church council (circle one)** of _____ United Methodist Church on the _____ day of _____ 20____, after discussing the amount to be paid to Rev. _____ as a housing allowance, on motion duly made and seconded, adopted the following resolution:

If the clergy person is to have rent-free use of a home (parsonage):

Rev. _____ shall also have rent-free use of the home located at _____ for the year and for every year thereafter so long as he/she is a minister of the _____ United Methodist Church unless otherwise provided.

If the clergy person is to have a housing allowance (may be in addition to a parsonage), also state:

Rev. _____ shall receive a salary of \$ _____ for the year.
Rev. _____ shall also receive a housing allowance of \$ _____ for the year _____ and all future years unless otherwise provided.

It shall be the responsibility of the pastor to keep accurate records of expenditures to rent or provide a home in order to be able to substantiate any amounts excluded from gross income when filing their federal income tax return in accordance with Section 107 of the Internal Revenue Code. In the event of an audit, clergy receiving a housing allowance will have the responsibility of substantiating the use of such funds. Also, it is the responsibility of the pastor to include the housing allowance (including the fair rental value of a provided parsonage) as part of their earnings for self-employment tax purposes.

The housing allowance (and/or rent-free use of a home) shall be so designated in the official church records.

Signed:

Pastor

Date

Administrative Council Chairperson

Date