

Housing Exclusion Resolution

WHEREAS, the _____ United Methodist Church provided its pastor with rent-free use of its parsonage as compensation for services which he/she renders to the church in the exercise of his/her ministry;
WHEREAS, as additional compensation to its pastor, the United Methodist Church also desires to pay its pastor for expenses that he/she may incur in maintaining the parsonage; and
WHEREAS, section 107 of the Internal Revenue Code allows an ordained minister of the gospel to exclude from his/her gross income the designated housing exclusion,

Therefore Be It Resolved that the Reverend _____, pastor of the _____ United Methodist Church, shall be permitted to live in the parsonage located at _____ as compensation for rendering services to the _____ United Methodist Church and that no rent or other fee shall be payable by Reverend _____ for such occupancy and use;
Be It Further Resolved that the annual compensation paid to the Reverend _____ for the next fiscal year shall be \$ _____, of which \$ _____ is hereby designated as a housing exclusion for utilities, furnishings, maintenance and additional eligible expenses pursuant to section 107 of the Internal Revenue Code.

Additionally, Reverend _____ agrees to keep an accurate record of his/her expenditures to rent or provide a home in order to be able to substantiate any amounts excluded from gross income in filing his/her Federal Income Tax Return. Remembering that the housing allowance, including the fair rental value of a provided parsonage, must be included as part of his/her income for the self-employment tax, and that in the event of an audit, clergy receiving a Section 107 exclusion will have the responsibility of substantiating the use of such funds.

Administrative Council/Board Chair _____

Staff-Parish Relations Committee Chair _____

Pastor _____

Date _____