**Appendix A – Clergy Housing Allowance EXAMPLE**

If a rector does not live in church provided housing, a portion of the Rector’s compensation shall be designated as a housing allowance and duly noted in Vestry minutes and a signed copy of the Housing Allowance Resolution shall be completed prior to January of EACH year for the following year. The allowance is defined in the Federal Internal Revenue code.

**Examples of housing-related Expenses:**

Down payment on loan to purchase or improve a home

Mortgage payments or rent (both interest & principal)

Utilities (includes electricity, gas, water, basic cable TV,

Trash pickup, telephone charges)

Structural repairs & remodeling

Property Insurance

Real Estate Taxes

Furnishings and appliances (purchase & repair)

General Maintenance

Yard maintenance and improvements

*\*\*Note: The Church Pension Fund produces a “Tax Guide for Episcopal Ministers and Churches” each year. This Guide can be found on their webpage:* [*www.cpg.org*](http://www.cpg.org)*”.*

**HOUSING ALLOWANCE RESOLUTION SAMPLE**

The following resolution was duly adopted by the vestry of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Church at a regularly scheduled meeting held on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_, a quorum being present:

Whereas, ministers who own their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home; and Whereas, the Rev. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is compensated by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Church exclusively for services as a minister of the gospel, and Whereas, \_\_\_\_\_\_\_\_\_\_\_\_\_Church does not provide the Rev. \_\_\_\_\_\_\_\_\_\_\_ with a parsonage; therefore, It is hereby

RESOLVED, that the total compensation paid to the Rev. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for calendar year \_\_\_\_\_\_ be $\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of which $\_\_\_\_\_\_\_\_\_\_\_ is hereby designated to be a housing allowance; and it is further

RESOLVED, that the designation of $\_\_\_\_\_\_\_\_\_\_ as a housing allowance shall apply to calendar year \_\_\_\_\_ only.

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Clerk of the Vestry