

**SAMPLE RESOLUTION AND LETTER
FOR HOUSING ALLOWANCE
(PARISH PROVIDES A RESIDENCE FOR CLERGY)**

Sample resolution

The vestry on the 20th day of December, 1999, after discussing the amount to be paid to the Rev. Jane Smith as a parsonage allowance, on motion duly made and seconded, adopted the following resolution:

Whereas the Rev. Jane Smith is employed as a minister of the Gospel of St. Swithin's Church, Atlanta, Georgia, which although providing a residence for her does not provide the full cost of maintaining and furnishing such a residence, the vestry resolves that of the total compensation of \$36,000 to be paid to the Rev. Jane Smith during 2000, that \$5,000 be designated as parsonage allowance within the meaning of that term as used in Section 107 of the IRS Code of 1986.

Sample letter to cleric

This is to advise that at a meeting of the vestry held on the 20th day of December, 1999, your parsonage allowance for the year 2000 was officially designated and fixed as follows:

Although it provides the rent-free use of a home to you, the parish does not provide the full cost of maintaining and furnishing such a residence; therefore the vestry resolves that of the total compensation of \$36,000 to be paid to you during 2000, that \$5,000 be designated as parsonage allowance within the meaning of that term as used in Section 107 of the IRS Code of 1986.

Under Section 107 of the Internal Revenue Codes, an ordained minister of the gospel is allowed to exclude from gross income the parsonage allowance paid to him (her) as part of his (her) compensation to the extent used by him (her) to provide a home.

The amount of money excluded from federal income tax is the lowest of the following amounts:

1. The fair rental value of the house, furnished, plus utilities, less the fair rental value of the house, unfurnished, without utilities provided.
2. Actual cash spent.
3. Amount specified in the vestry minutes before the money is paid.

You should keep an accurate record of your expenditures to rent or provide a home to be able to substantiate any amounts excluded from gross income in filing your federal income tax return.

Sample letter from realtor

I have visited the house owned by St. Swithin's Church at 123 Main Street, Atlanta, Georgia, on December 1, 1999, and believe that the fair rental value and utilities provided by the church is \$14,000 per year, and that the furnishings increase the fair rental value by \$3,000.

(Signed) Jane Doe, Realtor

HOUSING ALLOWANCE ESTIMATION WORKSHEET

The following amounts are estimates of costs I expect to pay during (year) to provide a home for myself (and family):

Signed Date

Clergy who own their home	
Category of expense	Est. amount (year)
Down payment on a home	
Mortgage payments on a loan to purchase or improve a home (include both principal and interest)	
Real estate taxes	
Property insurance	
Utilities (electricity, gas, water, trash pickup, local phone charges)	
Furnishings and appliances (purchase and repair)	
Structural repairs and remodeling	
Yard maintenance and improvements	
Maintenance items (household cleansers, light bulbs, pest control, etc.)	
Homeowner's association dues	
Miscellaneous	
Total estimated expenses for (year)	

Clergy who rent their home	
Category of expense	Est. amount (year)
Rental payments	
Property insurance	
Utilities (electricity, gas, water, trash pickup, local phone charges)	
Furnishings and appliances (purchase and repair)	
Structural repairs and remodeling	
Yard maintenance and improvements	
Maintenance items (household cleansers, light bulbs, pest control, etc.)	
Miscellaneous	
Total estimated expenses for (year)	

Clergy who live in a church-owned parsonage	
Category of expense	Est. amount (year)
Property insurance	
Utilities (electricity, gas, water, trash pickup, local phone charges)	
Furnishings and appliances (purchase and repair)	
Structural repairs and remodeling	
Yard maintenance and improvements	
Maintenance items (household cleansers, light bulbs, pest control, etc.)	
Miscellaneous	
Total estimated expenses for (year)	