



Fort Wayne Rescue Mission Ministries, Inc.

2018 – 2019 Expense Budget

Line Item -- Housing Allowance -- Account 5020

Ministers on staff requesting a housing allowance

Pastor Donovan Coley	\$ 29,700
Pastor Sharon Gerig	\$ 18,720
Pastor Candace Moore	\$ 20,000
TOTAL	<u>\$68,420</u>

Note: These amount are to be presented at the board meeting during the budget discussion. Request motion to approve designated funds for the housing allowance. Salary plus housing allowance is the gross wage budgeted.

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Per Minister's Tax & Financial Guide book:.

If a minister is not engaged in ministry of a church, but employed by an organization that is not a church, then he/she can qualify for the housing allowance if he does a material amount of work conducting religious worship or sacerdotal l functions. Some of the examples given were bible studies, spiritual and pastoral counseling.

Housing allowance is to be approved before paying compensation--verify "minister" status, approval of amount (could be board minutes, include in budget, etc.). It can be amended and changed prospectively if circumstances change, but not retroactively. It is implied that these approvals happen at the start of each calendar year (individual's tax year), or presumably during the year if the person starts as a minister later than Jan. 1.

The housing allowance limit is the fair rental value of the minister's house (furnished) plus utilities. However, the deduction cannot exceed the amount designated / approved (or amended). That is the amount used to reduce taxable income on the W-2. Also, the actual deduction is limited to the lesser of fair rental value of the minister's furnished house plus utilities, or actual housing expenses.