

APPENDIX 4H-3

Housing Allowance Worksheet—Minister Owns or is Buying His Own Home

Name of Minister: _____ Social Security Number: _____

For the period _____, 20__ to _____, 20__

Date designation approved: _____

Allowable Housing Expenses

	Estimated Expenses	Actual
Down payment on purchase of housing	\$ _____	\$ _____
Housing loan principal and interest payments	_____	_____
Private mortgage insurance	_____	_____
Real estate commission, escrow fees	_____	_____
Real property taxes	_____	_____
Personal property tax on contents	_____	_____
Homeowners' insurance	_____	_____
Personal property taxes on contents	_____	_____
Utilities (electricity, gas, water, trash collection, and local telephone charges)	_____	_____
Maintenance and repair	_____	_____
Landscaping, gardening, yard maintenance, and pest control	_____	_____
Furnishings and appliances (purchase, repair, and replacement)	_____	_____
Homeowner's association dues/condominium fees	_____	_____
Miscellaneous	_____	_____
TOTAL	\$ _____	\$ _____ (A)
Properly designated housing allowance		\$ _____ (B)
Fair rental value (including furnishings) plus actual utilities		\$ _____ (C)

Note: The amount excludable from income for federal income tax purposes is the *lowest* of A, B, or C.

APPENDIX 4H-7**Example Housing Allowance Designation—Minister Owns or Rents His Own Home****BOARD RESOLUTION APPROVING HOUSING ALLOWANCE DESIGNATION**

The following resolution was duly adopted by the board of directors of United Church of God at a regularly scheduled meeting held on December 1, 20X1, a quorum being present.

WHEREAS, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income in computing federal income taxes a church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses incurred in owning or renting a home; and

WHEREAS, Minister Mark Thomas is compensated by United Church of God exclusively for services as a minister of the gospel; and

WHEREAS, United Church of God does not provide Minister Thomas with a parsonage; therefore, it is hereby

RESOLVED, that the annual compensation paid to Minister Thomas for calendar year 20X2 shall be \$45,000, of which \$16,000 is hereby designated to be a housing allowance pursuant to Section 107 of the Internal Revenue Code; and it is further

RESOLVED, that the designation of \$16,000 as a housing allowance shall apply to calendar year 20X2 and all future years unless otherwise provided by this board.

APPENDIX 4I

Computation of Allowable Expenses When Tax-exempt Income Is Received

Name of Minister: _____ Social Security No.: _____

Prepared By: _____ Date: _____

Computation of allowable expenses when tax-exempt income is received:

1. Amount of tax-exempt income (housing and utility allowances or fair rental value of parsonage): \$ _____

2. Total income from ministry:

Salary	\$		
Fees			
Taxable allowances			
Line 1 amount			
Total			\$ _____

3. Divide line 1 amount by line 2 amount (equals nontaxable income percentage). _____ %

4. Total business expenses substantiated:

Auto			
Travel			
Meals and entertainment			
Dues			
Publications			
Supplies			
Other			
Total			\$ _____

5. Multiply line 4 total by line 3 percentage (nondeductible expenses allocable to tax-exempt income). \$ _____

6. Subtract line 5 amount from line 4 amount (deductible expenses for income tax purposes). \$ _____