

Advice to Ministers about Housing Allowance

by Jim Hylton, CBFNC Business Administration Coordinator

As our thoughts turn to spring, and a slower, more peaceful time, there is one unpleasant business task that still remains... paying our taxes! Although I am not a tax expert, I want to offer a few suggestions to both new and seasoned ministers on the sometimes vague topic of housing allowance.

First, some steps in the housing allowance process:

1) Estimate amounts expected to be spent for the coming year and present them to your personnel or finance committee. Over-estimate! The amounts can be amended at any time.

2) Your church then makes a written designation based on the submitted estimate. This can be done by simply including the amount as a budget line item or within committee minutes.

3) At the end of the year, compare actual expenses with the designated amount. You will probably have to consult with the church treasurer on this.

4) On your W-2, you can only exclude the lesser of: the amount designated, actual expenses, or fair rental value plus utilities.

Now, on a brighter note, here are housing allowance expenses that should be included when computing your housing allowance exclusion:

- Down payment on a home
- Mortgage payments on a loan to purchase or improve your home (include both interest and principal)
- Real estate taxes
- Property insurance
- Utilities (electricity, gas, water, trash pick-up, local telephone charges)
- Furnishings and appliances (purchase and repair)
- Structural repairs and remodeling
- Yard maintenance and improvements
- Maintenance items (light bulbs, household cleansers, pest control, etc.)
- Homeowner's association dues

That's enough about taxes for now. I hope this helps as you work on this year's taxes and plan next year's housing allowance. If you have any questions about this or business administration issues, I hope you will think of CBFNC and contact us as needed (JHylton@cbfnc.org or 888-822-1944).



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As the workshop was winding down, Parrish asked participants what gives them hope. A teenage girl at the workshop said she was glad to see older people there who were concerned about racism. Another participant mentioned evidence of races coming together in schools.

Jack Glasgow, pastor of Zebulon Baptist Church, told about an eight-year partnership between his mostly

white congregation and the predominantly black Zebulon First Baptist Church. The two churches collaborate each year on Operation Inasmuch, a one-day community missions blitz.

The workshop included assurance from the leaders that all discussion was confidential. After the meeting Glasgow agreed to talk generally about the partnership.

“There has been incredibly open and honest dialogue, especially after about three years, that brought trust to a new level,” he said.

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Join us this summer at Sardis Baptist Church in Charlotte on Tuesday, July 13th and First Baptist Church of Wilmington on Thursday, July 29th for this year's Racial Reconciliation Workshops. Look for more details about these workshops and CBFNC's Racial Reconciliation Task Force at www.cbfnc.org.