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Establishing an Accountable Reimbursement Plan

One-time Council Action (put into council minutes)

The Chairman (President) of the Congregation informed the council that under the tax law, an employee is not subject to income tax on payments of business expenses, which are adequately accounted for before reimbursement. Therefore this body takes the following action:

Be it resolved that in addition to the salary provided our pastor, we will reimburse him/her for auto, travel and other professional expenses considered ordinary and necessary for him/her to carry out their duties.

(May insert specific language about reimbursement here such as:
Using IRS-approved mileage rate and/or
Limiting the reimbursement to a fixed amount of \$XXXX)

It is further understood that a person other than the pastor will examine the records requesting reimbursement and will maintain these records for at least four years with the congregation.

You may want to keep the limiting language out of this basic resolution, but incorporate these ideas into the budget and its detailed notes.