



Southward Financial Services, LLC

9165 Winston Road
Pickerington, OH 43147

614-864-0759

800-284-9516

E-Mail: SFSPan@insight.rr.com

Designating Housing Allowance

Council Action at beginning of the year (put into council minutes)

The Chairman (President) of the Congregation informed the council that under the tax law, a minister of the Gospel is not subject to income tax on an allowance designated as housing. Therefore this body takes the following action:

Be it resolved that the amount of \$XX,XXX of Rev. _____'s annual compensation be designated as housing allowance, beginning on _____, _____, and shall continue until a new designation is made in a new annual budget or by this governing body.

Council Action during the budget year (put into council minutes)

The Chairman (President) of the Congregation informed the council that under the tax law, a minister of the Gospel is not subject to income tax on an allowance designated as housing. Therefore this body takes the following action:

Be it resolved that the amount of \$XX,XXX of Rev. _____'s monthly compensation be designated as housing allowance, beginning on _____, _____, and continuing until a new designation is made by this body or overridden by a new annual budget.

The IRS requires that the housing allowance designation be in writing and done prospectively, not retroactively. Although a "published" annual budget could meet these requirements, I recommend this action by the Council be documented separately every year.