

## **SAMPLE HOUSING ALLOWANCE RESOLUTION**

The following resolution was duly adopted by the board of directors of First Baptist Church at a regularly scheduled meeting held on December 15, 2010, a quorum being present:

Whereas, section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income the rental value of a parsonage furnished to him as part of his compensation and a church-designated parsonage allowance paid to him as part of his compensation, to the extent the allowance represents compensation for ministerial services; is used to pay parsonage-related expenses such as utilities, repairs, and furnishings; and does not exceed the fair rental value of the parsonage (furnished, plus utilities); and

Whereas, Pastor John Smith is compensated by First Baptist Church exclusively for services as a minister of the gospel; and

Whereas First Baptist Church provides Pastor John Smith with rent-free use of a church-owned parsonage as compensation for services that he renders to the church in the exercise of his ministry; and

Whereas, as additional compensation to Pastor Smith for services that he renders to the church in the exercise of his ministry, First Baptist Church also desires to pay Pastor Smith an amount to cover expenses he incurs in maintaining the parsonage; therefore it is hereby

Resolved, that the annual compensation paid to Pastor Smith for calendar year 2011 shall be \$50,000, of which \$5,000 is hereby designated to be a parsonage allowance pursuant to section 107 of the Internal Revenue Code; and it is further

Resolved, that the designation of \$5,000 as a parsonage allowance shall apply to calendar year 2011 and all future years unless otherwise provided by this board; and it is further

Resolved, that as additional compensation to Pastor Smith for calendar year 2011 and for all future years unless otherwise provided by this board, Pastor

Smith shall be permitted to live in the church-owned parsonage located at 123 Main Street, and that no rent or other fee shall be payable by Pastor Smith for such occupancy and use.