

Instructions for Completing the 2008 Clergy Budget Compensation Package

General Instructions:

1. This form is used by the charge conference for officially setting the salary of appointed pastors.
2. This form can also be of real benefit in providing documentation required by the IRS.
3. Accuracy is utmost importance as this form governs the conference's contribution to your pension account.
4. All amounts are to be **ANNUAL** (not monthly) amounts.
5. Be sure to check your addition and enter it in the correct boxes.
6. Be sure all signatures are obtained before submitting the form to the District Superintendent.

Data Section-Top of Form:

1. All blanks must be properly completed.
2. If you are unsure of your status, discuss this with the District Board of Ministry Chair.
3. The "Time Appointed" to the charge must be completed. This is what governs your CRSP defined benefit at retirement.
4. Be sure to enter the charge name in the top section and the church name above each column.
5. Be sure to enter the church's GCFA number. This is the 6 digit number. If in doubt, contact the District Office.

Budget Figures:

1. Section A-Salary Compensation Figures
 - Part 1-This is the cash salary that is to be included on the W-2 form.
 - Part 2-Non Accountable Plan Allowances are salary type elements that are for your business expenses. These amounts **are reported** on your W-2 form. You must take deductions on your tax return for the actual expense you paid. **If you account to the church treasurer for the expenses, then you must use a reimbursement plan. See item B below.**
 - Part 3-These are salary reductions that are not reported on the W-2 form. Plans must be adopted on the minutes of the Board or Charge Conference. These amounts can not be changed during the year.
 - Part 4-Equitable compensation is a grant to the church. The conference treasurer direct deposits the funds to the church account and the local church treasurer pays those designated funds to the pastor. The amount is included on the W-2 form. Any conference paid amount should be listed under a separate column. Examples of this include campus ministers, conference secretary or conference statistician.
 - Part 5-Housing allowances are three types. They include the funds to provide a parsonage when no parsonage is owned by the local church. Utilities and appurtenances are acceptable whether the home is provided by the church or pastor. These amounts can be changed for future months-not prior months.
2. Total lines. Be sure you total these items in the line titled "Total Salary Compensation Items". This income line governs your **pension** and is of importance to the **IRS**.

Reimbursement Plan:

This is the block where you will enter the amount the budgeted for employee business expenses. There must be a plan adopted by the Board or charge conference **prior to payment of the first check**. The pastor is accountable to the church for these reimbursed expenses. These amounts **shall not** be included on the W-2 form.