

Appointed Clergy Housing Guidelines

The itinerant system remains today as central to Methodism as it was in the days of the circuit riders. Today, alongside itinerancy, the Church also expects clergy to become residents and active members of the community in which they serve. With the practice of itinerancy and the expectation of residency, United Methodist congregations are expected to provide flexible and appropriate housing for appointed clergy and their families. In order to meet these needs, to care for clergy and their families, and to call men and women to a dedicated ministry, congregations must provide reasonable living conditions either through a parsonage or a housing allowance. It is the privilege and responsibility of the members of the congregation to make every effort to provide the physical setting which will give the pastor and his or her family sufficient comfort and convenience so that the energies of the pastor may be more concentrated on their task and willing service in the Church and community.

Background Information

1. Congregations with a full-time pastor must provide housing for their pastor in addition to salary and benefits. Housing may be in the form of a parsonage or a housing allowance.
2. If a clergy family has an appropriate parsonage available to them and chooses instead to live in a different place, the congregation is not obligated to offer a housing allowance, but may designate a portion of the clergy's salary for housing related expenses. The pastor and church may elect together to rent out the parsonage and use the proceeds as the pastor's housing allowance.
3. The sale of a parsonage, like the sale of any church real estate, is subject to the procedures outlined in The Book of Discipline of The United Methodist Church. Funds received from the sale of a parsonage may not be used to meet routine operational expenses. They may be used to help pay down a mortgage.
4. The congregation must present to the District Committee on Church Location their rationale for selling the parsonage and their plans for handling the proceeds. The District Committee must approve this plan before the congregation's final church vote.
5. Since changing from a parsonage to a housing allowance requires changing the clergy's salary package, the final decision must be made by a Church or Charge Conference with the District Superintendent presiding.
6. When providing either a parsonage or housing allowance there are specific IRS requirements for authorization and reporting which must be followed. Failure to precisely abide by IRS requirements in this matter can have negative consequences for both the church and the clergyperson. Proper documentation will be provided during the Charge Conference.

Minimum Standards for Church-provided Parsonages

These guidelines are intended to offer direction and goals for local church leaders in decisions regarding the construction of new parsonages and/or the upgrading and maintenance of existing parsonages. While the TWKUMC understands that many parsonages within the annual conference do not meet these minimum standards, it is expected that measures will

be taken by the local church to bring their parsonage(s) within these standards as soon as possible. In addition to these standards, it is expected that everything in the parsonage will be in working order.

1. Bedrooms:

- a. The parsonage shall have a minimum of three bedrooms, with a recommendation for four bedrooms, of at least 120 square feet each with ample lighted closets in each. The primary bedroom shall have its own bath. It is recommended that the primary bedroom be located on the main level. At least one bedroom and bath shall be on the main level.

2. Bathrooms:

- a. There shall be at least two full baths in the house.

3. Kitchen:

- a. The kitchen shall be large enough for family eating space or a breakfast nook as well as built-in cabinets, double sink, cooking range, self-cleaning oven, and frost-free refrigerator with a large freezer and ice maker.

4. Climate Control:

- a. Central heat and air are required, along with insulation to meet present day building codes. Energy efficient windows and doors are to be provided in order to conserve energy. Screens must also be provided for all windows.

5. Office:

- a. An office with adequate office equipment and furniture shall be provided either at the parsonage or at the church.

6. Living/Dining Area:

- a. There shall be common living space consisting of a living room, family/recreational room, and dining room for entertaining.

7. Floor coverings:

- a. The church shall provide proper floor coverings in the parsonage with either carpeting or hardwood flooring in living spaces and tiled or vinyl flooring in the kitchens and bathrooms.

8. Window treatments:

- a. The church shall provide blinds or shades for all windows. Curtains may be provided but are not required.

9. Telecommunications:

- a. The parsonage shall have connections for cable or satellite television, telephone and high-speed internet. If these services are desired and activated by the pastor, the fees for such services shall be paid by the pastor.

10. Utility area:

- a. There shall be an indoor, attached utility area to include an automatic clothes washer and dryer provided by the church.

11. Equipment:

- a. The church shall provide good quality, dependable, and energy efficient appliances.
 - i. To include: cooking range, self-cleaning oven, microwave, dishwasher, refrigerator with freezer compartment, washer and dryer, hot water heater of at least forty gallons; wired for basic cable or satellite dish service, maintained smoke alarms; current fire extinguishers for kitchen and other required areas;

12. Wiring/Plumbing:

- a. All wiring and plumbing must conform to present day codes and are to provide for present and future needs in order that all appliances and computer equipment may be used safely. All receptacles must be properly grounded.

13. Security and Safety:

- a. The church shall provide smoke alarms and fire extinguishers. Carbon monoxide detectors/alarms should be installed near the furnace, kitchen and water heater areas and sleeping areas if said appliances use gas. All exterior doors shall have deadbolt locks. It is recommended that the church also provide a security system for the parsonage with the pastor paying for the monitoring services.

14. Parsonage Grounds:

- a. The parsonage grounds should compliment or improve neighborhood standards.
- b. The grounds should have, at a minimum, foundation shrubbery, shade trees and adequate yard space for children. A privacy fenced play area is recommended.

15. Parsonage Grounds Maintenance:

- a. It is recommended that the church provide lawn and landscaping maintenance service for the parsonage.
- b. If not, a powered lawn mower, hedge trimmers, and weed eater will be provided along with the following manual lawn tools: shovel, rake, and wheelbarrow.
- c. The mower should be a riding mower if the yard is larger than ½ acre.
- d. Annual maintenance of powered lawn equipment is the responsibility of the church.

16. Interior and Structural Maintenance:

- a. The church will provide regular pest control inspection and treatment; annual termite inspection and treatment; annual inspection and cleaning of ductwork as needed; landscaping and maintenance thereof should be representative of the neighborhood; regular schedule for painting both on the outside and inside of the house as needed; any needed repairs should be done in a timely manner; regular carpet cleaning; regular maintenance and cleaning of chimneys.

17. Garage/Carport and storage:

- a. A two-car garage or covered carport shall be provided and a minimum of 120 square feet of outdoor storage space shall be provided.

18. Insurance:

- a. An amount of insurance equal to at least 80% of the replacement value of the parsonage and church-owned contents should be carried by the church (fire and extended coverage).
- b. The pastor must carry adequate insurance to cover the pastor and the pastor's family's personal belongings and furnishings. The church does not insure the pastor's personal belongings either at the parsonage or the church building.

19. Improvements:

- a. It is expected that the parsonage will be reviewed annually for maintenance and repair, but also for improvements that should be made to keep the parsonage in comparable condition as neighboring properties and modern housing norms.
- b. Improvements should be resourced through budgeted savings, just like repairs and maintenance.

20. Parsonage Updates:

- a. All parsonages shall be updated or renovated to conform as nearly as possible to the suggested minimum standards in these guidelines.

21. Compliance:

- a. Any parsonages not meeting these standards must be approved for usage by the district superintendent on an annual basis.

22. Location of All New or Replacement Parsonages:

- a. Should not be on the main church property but at a distance that ensures privacy for the pastor and family; needs to be located in a good school system; should be located in what is perceived as a safe community that would well foster the raising of children.

General Guidelines for Parsonages

Guidelines for Privacy:

Although the parsonage is the property of the church, it must be understood that it is also the private home of the parsonage family. Courtesy dictates that the parsonage be visited only upon invitation by the parsonage family. Even the annual mandatory parsonage review and parsonage committee meetings must be scheduled with the parsonage family with at least a two week notice.

Guidelines for Care of Property:

The parsonage family shall take care of the house, furnishings and property, making it a policy to leave them in good condition. Best results will be obtained as the parsonage family and S/PPR work together, feeling free to discuss the needs with each other. It is understood that there will be a natural depreciation of property and contents which calls for repairs, replacements, and improvements periodically.

Guidelines for Parsonage Upkeep:

1. It is recommended that the church's annual budget include a parsonage fund equivalent to at least 3% of the

value of the property for the purpose of repairs, maintenance, improvements, pest control and insurance.

- a. Unused yearly funds should be placed in an interest bearing account to be used for capital expenses of the parsonage to include the improvement of the current parsonage or future purchase of a new parsonage where the current does not meet minimum parsonage standards.
2. The parsonage family shall be consulted in the selection of color schemes, window treatments and equipment.
3. The parsonage shall be kept well painted inside and out.
4. Discarded furnishings from church members should not be placed in the parsonage.
5. Every parsonage shall have a parsonage file.
 - a. The parsonage file is to be maintained by the church and shall include all guarantees, repair parts lists, instructions for use of equipment, and an inventory of all church-owned contents.
 - b. The file shall also include a maintenance log which will list when and from whom items were purchased, who to call for repairs, when and by whom improvements were made, and any other information helpful to future parsonage families.
 - c. A pictorial record, preferably in video format, should be taken as soon as possible on or after each moving day. This record will be invaluable for insurance purposes in case of fire or other catastrophe. It also would serve as a record of the parsonage's initial condition.
 - d. It is recommended that an extra copy of the pictorial record and the parsonage file shall be updated and stored with the parsonage family at the parsonage.

Guidelines for Pets and Guide or Service Animals:

Keeping animals outside the parsonage is recommended. It is understood, however, that family pets, guide or service animals kept inside the home bring much comfort and joy.

Therefore, if pets are kept inside the parsonage, the following guidelines must be met:

1. The church trustees must be kept informed of any pet inside or outside the parsonage.
2. Only a domestic pet, which will be defined as a small to medium-sized dog, cat, caged bird or aquarium fish can be kept in the parsonage. Any other animal requires the approval of the church trustees. Also, more than two indoor pets requires the approval of the trustees.
 - a. Guide and service animals are not to be considered pets, though their presence on property will need to be communicated to the Trustees.
3. All pets and service animals must be up to date on their vaccinations and undergo regular flea and tick treatment when appropriate to that animal species.
4. All damages incurred by any pet or service animal will be the responsibility of the pastor and will be reported to

the church trustees and assessed.

- a. Payment for repairs should be immediate, but no later than moving day.
5. Upon the change of the parsonage family, if animals have been kept inside, the parsonage family must make an extra effort to thoroughly clean the entire parsonage to eliminate any evidence of the animals having been present, which includes fleas, ticks, pet hair, pet dander, stains, excrements, etc. This cleaning will likely include having all carpet / rugs professionally cleaned.

Guidelines for Smoking:

There shall be no smoking inside the parsonages.

Guidelines for Handling Unusual Damages:

The Pastor/Staff Relations Committee and the Board of Trustees shall have regular inspections of the parsonage (see Mandatory Parsonage Review Guidelines below). This will permit all parties to review the general condition of the parsonage in order to identify deficiencies of the parsonage and define programs and time schedules for improvement.

1. Any unusual damages caused by the parsonage family shall be reported to the district superintendent.
2. Unusual damages caused by the parsonage family shall be paid for by the pastor involved. Various approaches for repayment of damage repair expenses may be necessary, including but not limited to the following:
 - a. Payment in full to the church for any unusual damages when identified;
 - b. Payment in full to the church prior to moving to next appointment (or retirement);
 - c. Creating a repayment schedule which may follow the pastor to his/her next appointment (or retirement);
 - d. In every case, the handling of such matters must be done in consultation with the supervising district superintendent.

Guidelines for Utilities:

The pastor is responsible for all utility charges pertaining to usage at the parsonage. Arrangements should be made by the pastor with appropriate companies to prorate all utility bills up through the moving day. The moving pastor shall not have the utilities turned off. A church may elect to have the utility accounts in the church's name with the pastor paying the amounts due for the utilities to the church a week prior to the due date. This would prevent any transfer issues arising during moves.

Mandatory Parsonage Review Guidelines:

1. A meeting, initiated by the Pastor, S/PPRC, or Trustees, concerning the parsonage will be conducted each year prior to the charge conference.
2. This meeting will be held in the parsonage and will include a mandatory review of the entire parsonage—inside and out.
3. The attendance of the following individuals is expected: the pastor, the trustee chairperson, the parsonage committee chairperson, and the chairperson of the pastor/staff relations committee (see The 2016 Book of

Discipline, ¶12533.4). If the pastor has a spouse, he/she should also be included.

4. The specific date can be set any time during the year by giving a two week request to the parsonage family. The review must be set at least two weeks prior to the church's annual charge conference with all parties agreeing to the date set.
5. Even though this mandatory meeting takes place to satisfy a disciplinary requirement, it is recommended that other parsonage committee meetings be held to consider parsonage improvements and other concerns.
6. A parsonage report detailing the findings and recommendations made during the meeting will be completed and signed by all in attendance at the parsonage review. This report will be submitted to the district superintendent during the charge conference. One copy of the report shall be placed in the parsonage file at the parsonage and a second copy shall be kept at the church or away from the parsonage grounds.
7. Any concern by either the pastor or church may be addressed at a later meeting. The district superintendent may become involved, if deemed necessary by either party.
8. Continual patterns of parsonage abuse will be documented & stored in each pastor's file.

Checklist When a Parsonage is Being Vacated:

The following checklist shall be completed when a parsonage family is moving. It is the responsibility of the parsonage family to thoroughly clean both the parsonage and grounds. It should not be the responsibility of the church to clean the parsonage. However, if the vacating parsonage family does not clean the parsonage then the church will have the parsonage cleaned before the arriving clergy family moves in and bill the vacating clergy person and notify the District Superintendent. Cleaning includes the removal and disposal of any left behind furniture or personal items.

A walk through by the parsonage committee should be conducted prior to the new pastor's arrival to confirm the following items have been completed and it is ready for the new family.

1. Windows cleaned inside.
2. Window blinds/shades cleaned.
3. Rugs and carpets vacuumed (shampooed if needed, professionally cleaned if pets or service animals were kept in the parsonage).
4. All hard surface floors cleaned.
5. All appliances cleaned inside and out.
6. All cabinets cleaned inside and out.
7. Basement, closets and shelving cleaned.
8. Light bulbs replaced as necessary.

9. Bathrooms thoroughly cleaned, including fixture, tile grout, shower doors/curtains, medicine cabinets, walls and floors.
10. Garage, carport and outside buildings swept and left orderly.
11. The lawn shall be recently cut and left in a well-maintained order.
12. All trash is properly disposed. (It is recommended that the church provide an extra refuse container during move week.)
13. No furniture or personal items may be left behind without express permission from the incoming clergy person. This includes removing items from crawl spaces, attic storage, and basements.
14. A list of all items needing the attention provided to the parsonage committee. (This checklist may be used by the incoming pastor to rate items upon move-in as excellent, satisfactory or poor.)

Summary Statement for Parsonages:

The parsonage is a witness of the church, and it is a symbol of the stewardship of the congregation and the pastor; the parsonage should, therefore, receive the same kind of care as the church building and as if it were the pastor's own home. An occasional open house is suggested as a means of the church and the parsonage family sharing this witness and as a means of enhancing the relationship between the congregation and the parsonage family.

Appointed Clergy Housing Allowance Guidelines

Churches continue to express an interest in offering their appointed clergy a housing allowance instead of a parsonage. We recognize that for some congregations and clergy this appears to be an attractive alternative to the traditional parsonage system. In some situations a parsonage may be more appropriate and in others a housing allowance may be best. Because this is a significant decision for congregations and for clergy, the Annual Conference provides the following Housing Allowance standards and information to assist in Housing Allowance decisions.

Minimum Housing Allowance:

The minimum required housing allowance for appointed clergy is 25% of the appointed clergy person's salary. Example: If an appointed clergy person's total salary is \$45,000 then the additional housing allowance would be \$11,250. All housing allowances below the minimum must be approved by the District Superintendent. Twenty-five percent will be considered minimum for part-time clergy as well.

Realizing that each parish's geographic location is different, it is recommended that the following procedures are followed for setting the appointed clergy's housing allowance so that they might live and involve themselves, and their family, in the life of the parish community. Using the procedures below may result in a housing allowance that is higher or lower than the minimum listed above.

Procedures for Congregations Considering Housing Allowances:

1. The Pastor speaks with the District Superintendent regarding desire for the church to consider a housing allowance.
2. The Administrative Council forms a study team of 5-7 persons including the Lay Leader, and representatives from

the Staff Parish Relations Committee, the Board of Trustees, and the Finance Committee. The study team must consist of at least 3 females and at least 1 young person.

3. The housing allowance study team should consider the following:
 - a. The pros and cons for their congregation to move from a parsonage to a housing allowance taking into consideration missional and financial issues.
 - b. The monthly cost of renting a home that meets Annual Conference Standards within a 20 minute drive of the church. The team should identify and document at least three examples of appropriate homes for rent.
 - c. The cost to the budget (annually and over time) if the church adopts a housing allowance instead of owning and maintaining a parsonage.
 - d. The pros and cons of renting versus selling the parsonage, including a discussion on how the funds would be used in keeping with the Discipline.
4. Based on this research, the study team would propose an annual housing allowance.
5. The study team shares the proposal with the Church/Administrative Council for discussion and questions.
6. If the response of the Church/Administrative Council agrees with the proposal to provide the pastor with a housing allowance, the proposed allowance must be approved by the District Superintendent.
7. If the study team recommends selling the parsonage and the Church/Administrative Council agrees, the plan to sell the parsonage must be approved by the District Committee on Church Building and Location.
8. A copy of the proposal should be available for members of the congregation to review. There should also be a church-wide meeting where the congregation can have a chance to ask questions.
9. The final step is to contact the District Superintendent to set up a Church Conference to vote.

Procedures for Congregations Reviewing Housing Allowances:

1. The Pastor and/or S/PPRC may request a review of the current housing allowance.
2. The S/PPRC will research and report to the Administrative Council the monthly cost of renting a home that meets Annual Conference Standards within a 20 minute drive of the church. The team should identify and report to the Administrative Council at least three examples of appropriate homes for rent.
3. Based on this research and in consultation with the appointed clergy, the S/PPRC would propose the necessary adjustment to the Housing Allowance to the Administrative Council.
4. Upon approval by the Administrative Council, the housing allowance change would be reported to the District Superintendent to either call a special Charge/Church Conference or to vote on at the next scheduled Charge/Church Conference.

Additional Resources for Churches Considering Housing Allowances

Financial Implications for the Church and Pastor

1. How does providing a parsonage affect apportionments?
 - a. The biggest cost of housing is the initial capital investment at the time of the purchase and the long term investment in maintaining the property in good condition. Capital expenses (the cost of purchasing a parsonage) and capital upkeep expenses (replacement of items or improvements to the parsonage) are not included in the calculation of apportionments. However, routine maintenance, utilities, insurance, lawn care, etc. are included in the calculation of apportionments.
2. How does a housing allowance affect apportionments?
 - a. Unfortunately, there is no quick and easy formula to calculate how much difference a housing allowance will make on a church's apportionments because the impact is cumulative. In any one year the impact is not particularly large.
 - b. A housing allowance is considered part of the pastor's paid compensation and, as such, is included in the calculation of apportionments along with all other staff compensation. Therefore, a housing allowance will increase the apportionments that the church pays to the Conference.
3. Other than apportionments, is it financially better for the church to provide a parsonage or a housing allowance?
 - a. The church will own and maintain a parsonage for 20, 40, or 60 years, or the church will pay a housing allowance to a succession of pastors for a similar period of time. Over the long term, from the church's perspective, it is generally less expensive to provide a parsonage than to pay a succession of pastors to rent or buy their own homes.
 - b. It might be helpful to think of this in terms of renting vs. owning a home. In any single year, the difference between renting and owning may be small; but over a lifetime, the cumulative difference can be substantial. Continuing with that analogy, there are many times when renting is a wiser decision than owning (length of time a person plans to live in that area, amount of reserves for repairs, etc.) Generally, if the decision is about long term planning (looking out 20, 40 or 60 years) it is financially prudent to be an owner rather than a renter. Long term ownership is simply a better financial investment than renting.
4. Is it better for the pastor to receive a housing allowance or to live in a parsonage provided by the church?
 - a. From a financial perspective, it can be better for the pastor to own a home and begin accumulating equity in that home. However, since it usually takes several years for a home to accumulate significant equity, if the pastor moves every 2-4 years and has to buy and resell a home each time, any equity would likely be consumed by the costs associated with buying and selling (commissions, title fees, closing costs, etc.).
 - b. It may be financially beneficial to the pastor to receive a housing allowance instead of a parsonage if

the pastor: Uses the housing allowance to assist in purchasing a home, retains ownership of that home longer than 2-4 years, makes wise real estate decisions, is not forced to sell the home quickly or in a down market.

- c. There are non-financial benefits to pastors owning and occupying their own home rather than living in a parsonage. For the pastor, these benefits may or may not outweigh any financial loss or gain. Although finances are an important consideration for both pastor and church, whether to provide a parsonage or a housing allowance should be decided on more than just the financial ramifications.
5. Where can we get other information about a housing allowance?
 - a. [Housing Allowance Q&A's from the General Council on Finance and Administration.](#)

Advantages/Disadvantages in Consideration of a Housing Allowance

1. Providing a parsonage ties up a considerable amount of capital for the church.
2. Purchasing a home can consume a considerable amount of savings from the pastor.
3. Locating a home to purchase or rent can be a challenge at the time of moving, particularly in some markets. This might press a pastor into making a temporary decision when moving and then continue to struggle with this decision over time.
4. The time and expense of maintaining a parsonage over time are considerable and can be a disruption to the other missional, ministry, and outreach efforts of the church.
5. The time and expense of repairing and maintaining a home (either owned or rented) can be a distraction for the pastor.
6. While depreciation and repair expenses of real property can create tax advantages in some situations, for a church it does not. Likewise, the interest paid on a mortgage may be tax deductible for an individual or a business, but it is not for a church.
7. Some churches spend significant sums remodeling for each new pastor – expenses that may exceed what a home-owner would spend over a similar time frame.
8. Some churches seldom remodel, or they make changes that are not sensitive to the parsonage family, or they make changes appropriate for one parsonage family but ill-suited for the next.
9. There can be a tendency for congregations to "over manage" parsonages and thus create friction with the parsonage family.
10. The expectations by the parsonage family of prompt repair and appropriate decor can create friction with the congregation.
11. As a parsonage ages, the church will be faced with a significant investment of time and money to repair and remodel the parsonage or to sell an existing parsonage and purchase a better one. These decisions may arise at a difficult time in the life of a congregation.

12. The energy invested by members of the congregation to inspect, maintain and care for a parsonage might be better invested in other ways. And, it may be difficult to find people in the congregation who have the interest, skills, and commitment to do this well.
13. If a church chooses to rent the parsonage instead of selling it (when providing a housing allowance), there will be time, energy and expense needed to tend to the issues of rental property. And it may be difficult to find people in the congregation who have the interest, skills, and commitment to do this well.
14. A housing allowance may encourage pastors to stay in one location longer as the clergy family may think of the home as "their home," rather than thinking of themselves as guests in the church's home.
15. A pastor may not recoup the financial investment in a home that she or he has purchased if pressed to sell in a down market or within a short time frame.
16. A housing allowance makes it possible for a pastor and his or her family to select a home that is appropriate for the size of their family and consistent with other values such as school preferences.
17. A housing allowance can enable clergy to start building equity for the future.
18. Sometimes clergy prefer a housing allowance so that they can purchase a home, but in some markets and in some situations, renting may make more sense.

Despite trends that may last for a number of years, buying and selling a house for investment purposes is a risky enterprise that may result in financial loss