

How to Use This Worksheet

1. Take the [Pastor Compensation assessment survey](#) and get your church's Financial Health score. Ask other members of your pastoral or leadership team to take the survey as well. Share your PDF survey results with each other and discuss areas where you want to improve your pastor compensation practices.
2. Download the [Pastor Compensation planning calendar](#) and identify the areas where you want to improve your pastor compensation practices over the coming year. If you would like to experience significant results from these Best Practices resources, take the [Pastor Compensation online training course](#) as a team.
3. Pick a 30-40 day [generosity devotional](#) to go through each day.
4. Review the Best Practices resources below and determine which practices you want to consider adding to your church. Assign key people on your team to do further research on the different practices.
5. Schedule a 45-minute block of time during regularly scheduled monthly meetings to review resources and work on plans to move forward.

Many churches that go through this experience see significant improvements in their overall financial health and the care they provide for their pastor and family.

PASTOR COMPENSATION

| # | BEST PRACTICES | SUGGESTED RESOURCES (\$ = Cost involved.) | |
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| 1 | Review Bible verses and insights for pastor compensation | List: 25 Bible Verses About Taking Care of Your Pastor Article: What the Bible Says About Paying Your Pastor | Podcast: Paying Your Pastor (21m) 5 Things You Should Know About Pastor's Salaries |
| 2 | Review denomination or nationally recognized pastor compensation research and recommendations | Check With Your Denomination for Resources & Guidelines Manual: Guide for Compensating Clergy Website: MinistryPay.com eBook: 10 Fundamentals of Clergy Payroll/Taxes eBooks (\$): Compensation Handbooks for Pastors/Staff | Research: Pastor and Church Staff Compensation Article: When Your Church Can't Pay a Fair Wage (pgs. 29-30) Manual: IRS Tax Guide for Churches |
| 3 | Selected key leaders do an annual goals and compensation review with the pastor | Sample: Pastor Evaluation and Compensation Review | Book (\$): A Guide to Church Staff Evaluations |
| 4 | Annual plan to receive a special love offering appreciation gift to bless the pastor and family | Planning Guide: Pastor Appreciation Month Article: Are Pastor Love Offerings Taxable Income? Article: Are Pastor Love Offerings Deductible to the Donor? Pinterest: Pastor Appreciation Ideas Gifts (\$): Pastor Appreciation Resources | Worksheet: Pastor Appreciation Questionnaire Article: Pastor Appreciation Articles for Every Age Group Manual: Planning a Pastor Appreciation Month |

PASTOR HOUSING

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| 5 | Know and follow IRS rules for setting housing allowance | Video: Housing Allowance Guidelines for Ministers (28m) Article: Guidelines for Pastor's Housing Allowance Manual: Guide for Compensating Clergy | Video: Church Comp/Housing/Reimbursement Rules, Chapter 2 (13m) |
| 6 | Annual written approval of housing allowance worksheet | Check With Your Denomination for Resources & Guidelines Samples: Forms for Pastor Expenses and Housing Allowance | White Paper: Guidelines for Pastor's Housing Allowance Article: How to Report Housing on Pastor's W2 Tax Form |

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| 7 | Written guidelines for any parsonage finances/maintenance | Check With Your Denomination for Resources & Guidelines Sample: Guidelines for Use of a Church Parsonage | Manual: Guide for Compensating Clergy (pgs. 6-8) Article: Eight Good Reasons to Live in a Parsonage |
| SOCIAL SECURITY / RETIREMENT | | | |
| 8 | Pastor Social Security regulations are understood and followed | Articles: Social Security Rules for Ministers & Churches Webinar: Special Payroll Rules for Pastors & Churches (77m) | Article: Top 6 Tax Mistakes Ministers and Churches Make Article: Ministers, Social Security, and Honesty |
| 9 | Church provides 50% or more Social Security payroll offset to help the pastor pay the quarterly SECA taxes | Article: How to Set Social Security Allowance for Ministers Manual: Guide for Compensating Clergy (pg. 5, point 3) | |
| 10 | Pastor and/or church regularly contributes to denominational or “clergy housing allowance” 403b retirement account | Video: Retirement Planning for Ministers (23m) Article: How a Pastor Should Begin Planning for Retirement | Article: What Churches Need to Know About 403b Plans |
| INSURANCE COVERAGES | | | |
| 11 | Pastor/family have medical care coverage in compliance with federal laws for pastors and churches | Webinar: How Affordable Care Act Effects Churches (49m) Video: Church/Pastor Insurance Rules – Chapter 3 (7m) | eBook (\$) : Affordable Care Act: Church Survival Guide |
| 12 | Researched affordable options for medical care coverage for the pastor/family | Check With Your Denomination or Spouse’s Employer Article: Health Insurance Options for Clergy Article: New Health Care Rules for Churches/Pastors | Vendor (\$) : Church Shield Insurance Article: Understanding Health-Care Sharing Ministries Vendor (\$) : Christian Health Care Ministries |
| 13 | Budget monies for pastor/family medical coverage and costs | HealthCare.gov (\$) : Gov't website for find health insurance Vendor (\$) : Thrivent.com Vendor (\$) : Guidestone.org | Vendor (\$) : Samaritan Ministries Vendor (\$) : Christian Care Ministry Vendor (\$) : Discounts for Rx/Vision/Dental/Etc. |
| 14 | Researched affordable options for life and disability insurance coverage | Check With Your Denomination for Resources & Services Vendor (\$) : Thrivent.com Vendor (\$) : Guidestone.org | Vendor (\$) : MMBB.org Vendor (\$) : eInsurance |
| 15 | Budget monies for pastor’s life and disability insurance | Vendor (\$) : ClergyAdvantage.com | |
| PASTOR EXPENSES | | | |
| 16 | Researched expert resources/recommendations on pastor expenses | Video: Pastor Comp./Housing/Reimbursement Rules (26m) Video: Understanding Payroll Reimbursement for Pastors | Video: How to Formulate Salary & Expense Reimbursements |
| 17 | Written policy/procedures/practices for pastor expenses | Article: How to Reimburse Ministerial Expenses Legally List: 29 Q&A’s About Minister’s Expenses and Sample Policy Article: Are You Handling Expenses Reports Correctly? | Sample: Minister Expense Reimbursement Form Article: Best Way to Handle Pastor Ministry Expenses |
| 18 | Types of Reimbursable Expenses: | (A) Denomination & Pastor Events (B) Continuing Education (C) Books, Subscriptions, Software (D) Office Supplies, Computer Equipment (E) Cell Phone Equipment/Plan: Article: Cell Phone Reimbursement Policies (F) Vehicle Costs for Ministry Miles: Article: Pastor Auto Allowance/Reimbursement (G) Church-related Meals and Meetings | (H) Hosting/hospitality at Home Video: Hosting/Hospitality Expenses (12:49-18:50) (I) Special Financial Assistance (Student Loans – Article: Gov’t Student Loan Forgiveness , Home Purchase, Home Equity Offset, Moving, Professional Counseling, Special Needs) (J) Non-monetary Help and Provisions Audio/Article: Financial & Non-\$\$\$ Pastor Benefits (25m) |

| PAYROLL TAXES | | | |
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| 19 | Researched affordable/experienced church payroll services | Vendor (\$): Church Shield Payroll Services Vendor (\$): Ministry Works Church Payroll Services Vendor (\$): PayrollforPastors.com Vendor (\$): ClergyTaxNet.com | Checklist: Annual Payroll Tax Checklist for Churches Webinar: Deduct Stress from Your Payroll Process (60m) Video: Pastor Comp/Housing/Reimbursement Rules, Chapter 2 (13m) |
| 20 | 2016 federal overtime rules are understood and followed | Chart: Determine the Overtime Rules for Your Church Google: How Government Overtime Rules Affect Churches | Article: Federal Rules for Overtime Pay Article: Paying Church Employees for Overtime |
| 21 | Pastor keeps accurate records and receipts for all tax-deductible expenses not covered by the church | Manual: Pastors Tax Guide (pgs. 24-27) | |
| 22 | Pastor uses an experienced clergy tax professional or clergy tax/accounting company for filing tax returns | Vendor (\$): Clergy Advantage Vendor (\$): PayrollforPastors.com | Vendor (\$): Church Coalition |
| DAYS OFF / DAYS AWAY | | | |
| 23 | Written policy for days off, vacation, sick days and holidays | Coming | |
| 24 | Written policy for a sabbatical period | Manual: Advantages of Sabbaticals for Pastors & Churches Article: A Sabbatical Guide for Pastors | Article: Does Your Church Have a Sabbatical Policy? Manual: Sample Sabbatical Policies and Planning Tools |
| 25 | Leaders aware or approval of outside ministry or service | Coming | |
| 26 | Leaders aware or approval of outside work | Article: 5 Ways Pastors Can Make Extra Money Audio: Advantages of Bi-vocational Pastors and Staff (21m) eBook: Become an Online Content Expert and Make Money Article: Ministers and Working Spouses | Article: Finding the Perfect 2nd Job for a Pastor Article: Eight Reasons to Be a Bi-vocational Pastor or Staff Article: Easy Ways to Make Money Selling Things Online |

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