

POLICIES AND PROCEDURES

Accountable Plan for Ministry Expenses (Sample)

POLICY

It's the policy of [Church Name] to provide from church funds the ordinary and necessary expenses of ministry that incurred for the benefit of the church. The church recognizes the professional nature of ministry and recognizes the right of ministers to use professional judgment in incurring ministry expenses within the guidelines set by this policy and the funds allocated for payment or reimbursement of expenses.

Ordinary and necessary expenses of ministry include, but aren't limited to, the following:

- On-the-Job Transportation
- Out-of-Town Travel for Church Assemblies
- Conferences and Continuing Education
- Other Professional Continuing Education Locally and by Correspondence
- Professional Materials (Books, Magazines, Journals, Papers, Tapes, Films, Office Supplies, Etc.)
- Business Meals, Entertainment and Gifts for Conducting Church Business and Developing Pastoral Relationships
- Dues and Fees for Memberships in Religious, Professional and Civic Organizations, Business Use of the Telephone
- Professional Equipment (Communion, Office, Library, Audio-Visual, Music, Ect.)
- Professional and Liability Insurance
- Legal and Professional Services
- The Purchase and Cleaning of Clergy Vestments

Child care expenses are considered to be ordinary and necessary when incurred to enable both minister and spouse to attend church functions for which the presence of the spouse is expected and is vital to the church's ministry.

The church, at its discretion, may pay ministry expenses by direct billing to the church, by reimbursement upon receiving reports with receipts and vouchers from the minister, by paying an expense allowance, and by paying an advance for a specific event or activity. Payment is subject to the availability of funds and to the timely and proper accounting by the ministers and staff.

The minister(s) and staff members are accountable to the church by properly reporting all ministry expenses. Proper reporting includes the filing of periodic expense reports with substantiating records, receipts and personal statements showing dates, amounts and business purposes.

When expenses are reimbursed, reporting monthly is encouraged but must at least quarterly. When an allowance is prepaid on a monthly basis for recurring expenses, monthly accounting is required by the end of the following month. Excess expenses may be reimbursed, if funds are available and approved, or carried forward. Any unused portion of a monthly allowance may be carried forward to apply against expenses incurred the next reporting period. When an advance is given for the expenses of a specific event or activity, an accounting is required within 60 days. Any unused portion of an advance must be repaid to the church within 120 days.

This policy is established in accordance with Internal Revenue Code Section 62(a)(2)(A) and Federal Tax Regulations 1.162-17(b) and 1.274-5(e)(4). It shall remain in effect until amended or rescinded.

Adopted by official action of the church this date: _____, 20__

Church Officer: _____
Signature Title