

FINANCIAL GUIDELINES FOR CHURCHES AND PASTORS

Congregations are refocusing as centers of mission. We want to assist you in your primary calling. This resource is prepared to free you from researching financial issues in order to have more time for ministry. The guidelines are written to help the new treasurer or pastor, thus appearing too elementary to others. Several professionals have reviewed this document, but we recognize that accountants' interpretations may vary.

A. FOR CHURCHES

1. CONTRIBUTIONS

- a. Contribution Receipts. Internal Revenue Service (IRS) Publication #557 states that churches do not need to establish their exemption from federal tax, but are automatically exempt. Churches can give receipts for charitable contributions which the donor can include on federal income tax returns. The receipt shall state, if true, that the church has not provided any goods or services except "intangible religious benefits." There are limitations on noncash contributions.

Cancelled checks are no longer acceptable receipts for contributions of \$250 or more. Treasurers must issue formal receipts for such contributions. Envelope systems for reporting of contributions to churches will continue to be acceptable to the IRS for amounts of \$250 or more.

- b. Value Received in Return for a Contribution. IRS Publication 1771, updated March 2002, states that the contribution receipt must describe goods or services an organization [church or charity] provides in exchange for a contribution of \$250 or more. It must also provide a good faith estimate of the value of such goods or services because a donor must generally reduce the amount of the contribution deduction by the fair market value of the goods or services provided by the organization. Goods or services include cash, property, services, benefits or privileges. However, there are important exceptions [one of which is] described below:

Token Exception – Insubstantial goods or services a charitable organization [church or charity] provides in exchange for contributions do not have to be described in the acknowledgement [receipt]. Goods and services are considered to be insubstantial if the payment occurs in the context of a fund-raising campaign in which a charitable organization informs the donor of the amount of the contribution that is a deductible contribution, and:

- (1) the fair market value of the benefits received does not exceed the lesser of 2 percent of the payment or \$76, or
- (2) the payment is at least \$38, the only items provided bear the organization's name or logo (e.g., calendars, mugs, or posters), and the cost of these items is within the limits for "low-cost articles," which is \$7.60....The dollar amounts are for 2001. Guideline amounts are adjusted for inflation.

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Written Disclosure – A charitable organization is required to provide a written disclosure to a donor who receives goods or services in exchange for a single payment [contribution] in excess of \$75.

- c. Year-End Contributions. A contribution becomes of record officially when delivered. For recording year-end contributions, the key is either the date *postmarked* when mailed or the date *delivered* in the offering or the church office. The date on the check does not control the date of the contribution receipt. If you decide to make changes in how you record year-end contributions, including back dated checks, please inform your congregation well ahead of the year end. This gives people time to plan accordingly.
- d. Mission Trip Contributions. Mission trip travel expenses may be deductible expenses. IRS Publication 526 states:

Generally, you can claim a charitable contribution deduction for travel expenses necessarily incurred while you are away from home performing services for a charitable organization only if

there is ***no significant element of personal pleasure***, recreation, or vacation in the travel. This applies whether you pay the expenses directly or indirectly. You are paying the expenses indirectly if you make a payment to the charitable organization and the organization pays for your travel expenses.

....Even if you enjoy the trip, you can take a charitable contribution deduction for your travel expenses if you are on duty in a genuine and substantial sense throughout the trip. However, if you have only nominal duties, or if for significant parts of your trip you do not have any duties, you cannot deduct your travel expenses.

- e. Charitable Contributions to be Forwarded. People want to help friends and persons in need and often want to receive a deductible contribution receipt from the church or other charity for this contribution. The IRS has guidelines that help determine whether an individual's deductible gift can be legitimately received and forwarded by the charitable organization. The congregation must also follow these guidelines. The advance text of the "Disaster Relief" document clarifies the charitable class that can legitimately receive contributions from charitable organizations.

The group of individuals that may properly receive assistance from a charitable organization is called a charitable class. A charitable class must be **large or indefinite** enough that providing aid to members of the class benefits the community as a whole. Because of this requirement, a tax-exempt disaster relief or emergency hardship organization cannot target and limit its assistance to specific individuals, such as a few persons injured in a particular fire. Similarly, donors cannot earmark contributions to a charitable organization for a particular individual or family. When a disaster or emergency hardship occurs, a charitable organization may help individuals who are needy or otherwise distressed because they are part of a general class of charitable beneficiaries, provided the organization selects who gets the assistance.

Tax deductible contributions to meet needs must be made for the benefit of a group of people, not just one individual. The donor must release control of the money when donated and allow the charitable organization to select the recipients of the funds.

The congregation may plan an assistance program through its deacons' fund or equivalent and assist groups or individuals with donated funds as part of its ongoing ministry.

2. EMPLOYER

- a. Federal Publications and Forms. The IRS has a complete listing of publications and forms on an internet web site. These can be read, downloaded and printed out for your use. See internet site www.irs.gov.
- b. Employer Identification Number (EIN). If your church intends to pay anyone, i.e., pastor, musician, custodian, groundskeeper, etc., the church needs an employer identification number. This establishes your identity as an employer and permits the proper submission of tax deposits, quarterly Form 941 tax forms and annual W-2 and W-3 forms.

Go online to www.irs.gov, download Form SS-4, and complete it. Fax it to the IRS at 631-447-8960. The IRS will give you an EIN and send blank quarterly tax forms to you--all you need to operate as an employer.

To get an employer identification number immediately, call Tele-TIN at 866-816-2065 after completing the Form SS-4. Ask the person who answers for an EIN. When you receive the number, write it on your Form SS-4. You may use the number immediately.

This employer or tax identification number is also needed to open a savings account drawing interest.

- c. Pastor's Status. According to the IRS, ordained, licensed, or commissioned persons performing substantially all of the religious duties of a church are ministers. Ministers are employees for income tax purposes and are self-employed for Social Security purposes.

A pastor has dual status. The pastor shall be considered
--an employee for income tax purposes. Issue a W-2 Form, NOT 1099, to your pastor by January 31 as described in section A2g. Income tax withholdings shall not be made without a specific agreement between pastor and church. (See third paragraph of B4b.)

--self-employed for Social Security purposes. Do not deduct Social Security tax from the paycheck as an employer. The pastor shall file an estimated tax form (ES-1040) quarterly with which to deposit the estimated taxes. (See B4.)

- d. Bonuses and Love Gifts. A bonus is subject to taxation and reporting on Form W-2. Be careful in the handling of love offerings for the pastor. In most cases, if a love gift is considered nontaxable to the pastor, a tax deduction cannot be taken by the donor for a contribution. Love gifts from individuals to a pastor are non-deductible to the donor and non-taxable to the pastor within annual limits.
- e. Employee Forms. As an employer you must keep a completed W-4 Form on file for each regular employee, although not for your pastor. A Form I-9 must also be completed and kept on file. Note: churches should complete an I-9 for their pastor.
- f. Non-employee Payment. Form 1099-MISC must be prepared and filed for all non-employee payments to persons or groups (not corporations) of \$600 or more per calendar year. This includes guest speakers, musicians, ministries, rents, maintenance, equipment purchases, etc. Total all 1099 forms at the end of the year and summarize on Form 1096. Submit to the IRS.

If payee refuses to give you the proper information for the Form 1099 deduct 30% of the amount due to the payee and pay the 70%. You need full name, address, city, state, zip code, and Social Security number or other tax identifying number. Get help for filing and paying the 30% backup withholding to the IRS.

In the event a payment of \$600 or more is already made and you are uncertain of the recipient's status, a clarification letter can be sent out to the payee. Enclose a blank Form W-9 for the payee's completion.

If you have questions about the status of persons working for you, you can submit Form SS-8 to the IRS district director for his definition of a job or person as an employee (W-2) or independent contractor (1099).

- g. Form W-2 Wage and Tax Statement. The following is an example of a W-2 Form prepared for a minister who had a total support of \$40,000 with a housing allowance of \$18,000. (Note especially Box 14.) If the church sent money to a retirement plan, such as Mennonite Retirement Trust, check retirement plan box in item #13.

Use income reduced by housing allowance for federal and local income taxes. (Some local municipalities may differ on housing allowance.) Include housing allowance for PA income tax purposes and for self-employment tax purposes.

Local tax clearinghouse Berkheimer Associates Section 404 (E) states that "a housing allowance paid to clergy is not taxable income if:

- a. Said clergyman uses the allowance in the year received to provide a home and/or pay utilities for a home which is provided; and

- b. The church, congregation, and/or parish employing said clergy has officially and specifically designated that portion of his salary to be a housing allowance.”

Berkheimer asks that the pastor submit with the income tax form a written verification of the official designation of housing allowance. This can be an employment contract or a letter from the governing board of the church.

3. TAXES

- a. Withheld Taxes and Paying on Time. Deducted federal employee taxes (federal income and Social Security) are held in trust until due to the IRS or local depository bank. Due dates are set as follows:
--Withheld federal and Social Security taxes for a new church should be deposited monthly by the 15th day of the following month during the first year. (The IRS will then notify you each November what your deposit status is for the coming year.)

--Pennsylvania state income taxes withheld shall be deposited quarterly, if total withheld is less than \$300; if over \$300, different due dates apply.

--Local earned income taxes, quarterly.

File IRS Form 941 each quarter (by end of next month).

Payroll tax records must be kept for seven (7) years.
- b. Unemployment Taxes. Franconia Mennonite Conference (FMC) churches are not subject to federal unemployment taxes or PA state unemployment taxes as employers. Church employees are not covered by law and cannot collect unemployment compensation payments.
- c. Minimizing Pastor's Taxes. Cooperate with your pastor in ways that will minimize the income tax load. Record the housing allowance annually in your official minutes before the start of the new year. Give the pastor a reimbursement policy also, recording this annually in your minutes. (See section on "Housing Allowance" [B2a] and "Expense Reimbursement" [B3] in the FOR PASTORS part of this document.)

Consider giving your pastor a contribution toward one-half of the Social Security taxes due (one half is 7.65% of self-employment income). The tax load for self-employed persons is double that of employees (or 15.3%). Note carefully, this reimbursement is considered taxable income to the pastor.

- c. PA Sales Tax. Franconia Conference churches may use the conference's PA sales tax exemption number (75-23803-2) for exempt purchases if the church does not have its own number. But FMC congregations are expected to secure their own PA Sales Tax exemption number within a reasonable time period. Note that this 8-digit number is different from the 9-digit Federal Employer Identification Number.

Churches are exempt from PA sales tax on the purchase and use of tangible personal property or services which are used in an activity which bears a reasonable relationship to the purpose for which the exempt organization exists. These exempt purchases include materials or supplies used for the routine maintenance or repair of real estate used in activity as stated above.

Vehicles purchased by religious organizations for religious purposes are tax exempt.

Not exempt are materials, supplies, and equipment used and installed in the construction, reconstruction, and remodeling of any real estate so as to become a permanent part thereof. Nor is equipment used but not installed in the real estate during its construction, reconstruction, or remodeling.

Church groups must pay tax for the use of ski slopes, hotel rooms, food, etc. (per PA Dept. of Revenue employee) Only items "absolutely necessary for the church program" are tax exempt. "Mere affiliation with or sponsorship by a church doesn't" automatically give tax exemption. (PA Tax Handbook)

4. MONEY HANDLING

- a. The Envelope System. Use the envelope system for accurate recording of each individual's contributions. The IRS recognizes the envelope system. Secure boxes of weekly envelopes with a unique number for each set of envelopes. The deacon or finance chairman can distribute the boxes of envelopes to each family for the next year and keep a confidential record of names and numbers. The treasurer records the weekly offerings on his tally sheet by contributor number, in addition to any other records desired. At the end of the quarter or year the treasurer totals each contributor's donations, places a form with total dollars in a sealed envelop with the contributor's number only showing on the outside, and gives these numbered envelopes to the deacon. The deacon consults his list of names and numbers and then returns the giving record envelopes to the proper contributors. Envelopes and forms can be purchased at Christian bookstores.

- b. Audits. It is good policy to have regular audits of church financial records. Persons outside the church should do these audits. Insiders often overlook their own church's mistakes.

The conference treasurer has prepared a document to be used in reviewing church financial records by persons who are not certified accountants. Call or write to the treasurer for a copy of "Basic Procedures for Reviewing Congregational Financial Records."

- c. Security and Control. Make a congregational policy on money handling. Those handling money should be prime supporters of the church, clerically accurate, and persons of strict confidentiality. Several persons other than the treasurer should count Sunday offerings, at the same time. These persons keep a consistent record of the offerings and then give the offering to the treasurer for recounting and depositing in the bank. A slip with their total count accompanies the offering. Consider using a bank lock box which enables depositing a locked deposit bag at the bank immediately after the church service is over.

The deposit to the bank should equal the offering recorded by the second party and should be made weekly. Do not take petty cash items out of the church offerings. Either pay everything by check or set up a separate petty cash fund for small payments.

- d. Credit Cards. To make it easier for your pastor to handle ministry expenses, a church can secure a credit card in the name of the church with the pastor as authorized user. This bypasses the bookkeeping of reimbursement and reduces the up-front money that the pastor must pay out. This credit card shall not be used by the pastor for personal expenditures. It is recommended that a reasonable credit limit be set for credit cards.

The Mennonite Financial Federal Credit Union is one organization that issues credit cards to churches. Membership in the Mennonite Financial FCU is required with at least a \$25 investment in shares. Their phone number is 1-800-451-5719.

- e. Setting Up an Accounting System. Call the conference treasurer for some guidelines to use in setting up a new church system.

5. INSURANCE

Update the property insurance on a regular basis, at least when the multi-year policy is renewed. Churches and pastors are facing increased risk for lawsuits in our increasingly litigious society. Do all you can to lower the risk by setting specific policies for control of abuse and sexual harassment. Consider a liability policy covering, in addition to the property, counseling acts, directors and officers, sexual acts and special events.

6. WORKERS COMPENSATION COVERAGE

Congregations paying staff persons, including pastors, should provide workers compensation coverage to pay the liability for injury to employees. Church employees are “all employees including office.” “If two or more churches are served by one common employee, insurance must be provided by a single policy issued in the name of all such churches or missions as ‘joint employers.’”

The PA Workers Compensation Manual states that “premium shall be computed on the basis of the total remuneration paid or payable by the insured for services of employees covered by the policy.”

“Remuneration means money or substitutes for money”, such as wages or salaries. Remuneration also includes “the rental value of an apartment or house provided for an employee,” “the value of lodging other than an apartment or house received by employees as part of their pay,” and “payments for salary reduction, retirement or cafeteria plans (IRC 125) which are made through deductions from the employee’s gross pay.”

Phil Leaman, of Association of Anabaptist Risk Management, said, “the general rule of thumb is if [pastors] receive remuneration, then the PA Work Comp Act would apply although there are some exceptions.” If a church wants to opt out of workers comp coverage, it should consult with its legal counsel.

B. FOR PASTORS

1. HONORARIA AND FEES

“If you are a member of the clergy, you must include in your income offerings and fees you receive for marriages, baptisms, funerals, masses, etc., in addition to your salary. If the offering is made to the religious institution [and retained by it], it is not taxable to you.” (IRS Publication 517, page 8)

2. PASTORS' STATUS.

According to the Internal Revenue Service (IRS) ordained, licensed, or commissioned persons performing substantially all of the religious duties of a church are ministers and are employees for income tax purposes. Schedule C should not be used for ministers' tax returns, except for honoraria and income for service rendered.

Pastors have dual status. You are considered

--an employee for income tax purposes. File your W-2 income on Form 1040, page 1.

--self-employed for Social Security purposes. Use schedule SE to calculate your Social Security tax. (Add housing allowance to box 1 income of Form W-2 when calculating this tax.)

The self employment tax for Social Security is 15.3%. One-half of the self-employment tax is deductible for federal income tax purposes on line 27 of Form 1040.

3. FRINGE BENEFITS.

- a. Housing Allowance. Be sure to have the local church record a housing allowance in the minutes of the employing body in advance. This must be done each year prior to the beginning of the year. There is no way to make the housing allowance retroactive. The housing allowance can be adjusted mid-year so that added amounts in subsequent months provide enough to cover housing for the year.

How much can be designated? IRS Publication 517, page 8, states clearly how much a housing allowance can be.

"If you own your home and you receive as part of your pay a housing or rental allowance, you may exclude from gross income the smallest of the following.

- ☐ The amount actually used to provide a home,
- ☐ The amount officially designated as a rental allowance, or
- ☐ The fair rental value of the home, including furnishings, utilities, garage, etc."

There is no flat dollar or percentage limitation on the amount designated by the church. Be sure to make the allowance high enough. But any unspent housing allowance granted on Form W-2 must be included as income on line 7 of Form 1040.

Typical expenses to be included in the calculation of the housing allowance follow:

- a. Rental cost of house or apartment, or the principal payments for a house. Down payment and related costs of buying the house within the limitations stated above.
- b. Mortgage interest and real estate taxes
- c. Insurance on the house and its contents
- d. Utilities--heat, electricity, gas, water, sewer, telephone, cable TV, garbage removal, etc.
- e. Repairs and upkeep of house and furnishings
- f. Furniture, appliances, TV, vacuum cleaner, washer, drying, etc.
- g. Decorator items--curtains, rugs, wallpaper, pictures, etc.
- h. Miscellaneous house wares, lawn care, and cleaning supplies. DO NOT include personal toiletries.

Remember that all clergy homeowners can deduct interest and taxes on Schedule A, even though these amounts are part of the housing allowance.

Retired pastors receiving retirement payments from the Mennonite Retirement Plan (MRP) in Goshen, Indiana, should be aware that these payments are designated as housing allowance. The lesser of 100% of the retired pastors pension from MRP or the amount actually used by the retired pastor to rent or otherwise provide a home can be considered housing allowance.

IRS Publication 517, page 8. "If you are a retired minister, you exclude from your **gross income** the rental value of a home (plus utilities) furnished to you by your church as part of your pay for past services, or the part of your pension that was designated as a rental allowance. However, a minister's surviving spouse cannot exclude the rental value unless the rental value is for ministerial services he or she performs or performed."

- b. Other Fringe Benefits. Many fringe benefits not provided for above salary by the employing church can be handled in a tax-reducing manner. These can be paid for by the church, thus reducing the taxable income on Form W-2.

Qualifying fringe benefits include health and accident premiums, retirement plan contributions (subject to limitations), group term life insurance premiums (up to \$50,000 coverage), and disability insurance premiums. But, money paid to the pastor to assist in the self-employment Social Security tax is taxable income and must be included on Form W-2.

4. EXPENSE REIMBURSEMENT

- a. Personal Expenses. No part of an employee pastor's salary may be redefined or recharacterized as expense reimbursement after the fact in order to reduce the taxable gross salary. The church budget must include an allowance for ministry expenses to be able to give tax-free expense reimbursements. If your church does not give an expense allowance above the salary, you should ask for a reduced salary combined with an expense allowance totaling the same amount as the reduction. Pastors are encouraged to project their expenses as accurately as possible to avoid unspent allowance by year end.

Your employer (the church) should place the reimbursement policy in writing and you (the pastor) must adequately account to your employer. This is, keep detailed records of out-of-pocket professional expenses necessary for carrying out your pastoral duties and periodically submit these lists to the church for reimbursement throughout the year. Do not receive advances for expenses. They are taxable income.

A reimbursement policy comes out more favorably tax-wise than the practice of placing unreimbursed business expenses on Schedule A. Schedule A unreimbursed business expenses are subject to a deductible of 2% of adjusted gross income.

Ministry expenses include such things as conferences, seminars, books, subscriptions, dues, office supplies, office furnishings, meals on church business, travel, and church mileage or car expense.

- b. Car Expense Policy. If you use the mileage allowance method of determining car expense, the IRS allows you to deduct 40.5 cents per mile for business mileage in early 2005 and 48.5 cents for mileage from September through December 2005. Mileage records should include date, destination, purpose of the business use. Do not include the miles of your commute to the church office. If you have an office at church, the first and last legs of travel for the church are considered your commute.

Another option is to take mileage for special meetings as charitable mileage at the rate of 14 cents per mile.

- c. Interim Pastor Travel. A taxpayer may deduct travel expenses incurred while away from home if the expense is reasonable and necessary, is incurred while away from home, and is incurred in the pursuit of a trade or business. This deduction can be taken for up to one year. After one year of travel the employment location becomes the place of residence. Interim pastors may be reimbursed with nontaxable dollars for properly reported travel expenses to the church in another location for up to one year, but only if interim employment does not exceed one year.

5. TAX DEPOSITS

- a. Quarterly Tax Deposits. The pastor shall file an estimated tax payment quarterly to the IRS, the State of PA, and the local earned income tax office, where applicable. Use US Form 1040-ES to calculate your combined annual federal income tax and Social Security tax; then submit the quarterly coupon and a check for one-fourth of the annual total tax due each quarter. Generally as long as 100% of the prior year's tax liability or 90% of the current year's tax liability is timely paid on a quarterly basis, you are meeting the IRS requirements. For the State of PA follow the same procedure using the PA-40ES Form.

To secure the above listed federal form go to the internet at www.irs.gov. Or you can call the telephone number in the blue pages of the directory. For Federal Form 1040-ES see US Government OF, Internal Revenue Service, Federal Tax Forms (current number is 1-800-829-3676). The PA-40ES Form is available from the PA Commonwealth Of, Revenue Department Of Tax Payer Assistance, Forms Ordering number (1-800-362-2050). Check in your community for local taxation laws.

- b. Special Withholdings. At least two exceptions to filling quarterly tax estimates exist. One is possible when you work as an employee part-time or have a spouse who works as an employee with regular tax deductions. Arrange to have enough withheld to cover the total tax liability for all income.

The second option is to make a withholding agreement with your employing body, the church. The church and the pastor can prepare a written agreement to voluntarily have taxes deducted from the pastor's paycheck. These estimated federal taxes and Social Security deductions are submitted to the IRS along with any employer share of Social Security paid for the pastor and are recorded on Form 941 at the end of the quarter. Then on Form W-2 these submitted taxes are recorded in box 2. Do not place

any dollar amounts in Social Security or Medicare wages or in Social Security or Medicare taxes withheld boxes on Form W-2.

There is another approach to tax deposits for pastors that find it difficult to accumulate the entire tax liability amount for a quarter in one lump sum. Request in writing that your employing body, the church, set aside a personal deduction from your support on each pay period. Do not label it as a tax deduction. This should be the amount needed to cover taxes for that period. The congregational treasurer will hold these personal deductions in escrow and then at the end of the tax period will remit this accumulated total amount to the pastor for making quarterly tax deposits with ES-1040 Forms, PA-40ES Forms, and local tax forms.

6. FILING FEDERAL TAX RETURNS

IRS Publication 517 includes a comprehensive example of federal tax forms filed for a typical pastor. For help in filing your own tax returns, see a sample Form 1040, and Schedules A, C-EZ, SE, and 2106-EZ on page 12 and subsequent pages.

7. RESOURCES

- a. Social Security Earnings History. Many services are offered on the internet at www.ssa.gov. It is a good idea to check on the Social Security Administration's records periodically to see if your earnings and taxes paid are correct. If you are not getting annual updates, submit Form SSA-7004 to receive a detailed list of earnings and taxes paid, as well as estimates of retirement income, disability benefit, and death benefit. Get Form SSA-7004 by calling 1-800/772-1213 or your local Social Security office. You can also obtain your monthly retirement benefit amount by telephone at the same number.
- b. Other Resources
 - "Guidelines for Pastors' Salaries/Benefits in the U.S." from Mennonite Church USA. Updated annually.
 - Income Tax Guide for Ministers and Religious Workers*, B.J. Worth, Baker Books, new edition annually.
 - IRS Publication 517, "Social Security for Members of the Clergy and Religious Workers."
 - Online. The internet offers tax forms, publications, and tax information on the Internal Revenue Service home page www.irs.gov.
 - Online. The Market Segment Specialization Program (MSSP) guide on Ministers (4/95). This guide can be downloaded from the IRS website at www.irs.gov/pub/irs-mssp/minister.pdf.

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REPORTING OF PAYMENTS TO PASTORS

1. Cash Salary (less Housing Allowance, less 403b Deduction, less Cafeteria Plan deduction) - Form W-2, Box 1.
2. Self-Employment Tax paid to pastor - Form W-2, Box 1.
3. Amounts deducted from salary as Sec. 403b benefits and forwarded to a qualified plan - Form W-2, Box 14 (Code E).
4. Amounts deducted from salary as Sec. 125 Cafeteria Plan - Form W-2, Box 10.
5. Cash Housing Allowance - Form W-2, Box 14 designated "Housing Allowance."
6. Value of Parsonage supplied to pastor - Form W-2, Box 14 designated "Parsonage Value."
7. Cost of Life Insurance over \$50,000 provided for pastor by employer - Form W-2, Boxes 1 & 12 (Code C).
8. Value of personal use of an auto owned by the church - Form W-2, Boxes 1 & 14.
9. Auto expense reimbursement based on actual mileage or expenses reported to employer - Do not report.
10. Auto expense allowance lump sum payment without accounting to employer - Form W-2, Box 1.
11. Pastoral expense reimbursements based on actual expenses documented to employer - Do not report.
12. Pastoral expense allowance lump sum payment without accounting to employer - Form W-2, Box 1.
13. Retirement benefits paid to Mennonite Retirement Trust or other qualified plan - Do not report amount, but check "Retirement Plan" box in Form W-2, Box 13.
14. Sick Pay provided by insurance or other third-party payer - check with organization paying.