



General Assembly of the  
Church of God in Michigan

# Pastoral Search Prayer Guide

*All members are encouraged to pray through this guide until God unmistakably provides the church with the pastor He has chosen to lead His people.*

## Day 1 Scripture Reading: Proverbs 3:5-6

Prayer Prompts: Pray for the church to wholeheartedly trust the Lord while searching for a pastor. Pray for the search committee to trust the Holy Spirit's leadership.

## Day 2 Scripture Reading: Revelation 2:1-7

Prayer Prompts: Pray for the church to return to her first love, Jesus Christ. Pray for the church and search committee to hear the Spirit clearly throughout the pastor search process.

## Day 3 Scripture Reading: Ephesians 4:1-6

Prayer Prompts: Pray for unity and peace in the church while searching for a pastor. Pray for a strong sense of unity among the search committee as they review and discuss potential pastoral candidates.

## Day 4 Scripture Reading: John 15:1-8

Prayer Prompts: Pray for church members to continually abide in Christ and produce much fruit that glorifies the Father during the interim period. Pray for members of the search committee to remain close to Christ.

## Day 5 Scripture Reading: John 15:9-15

Prayer Prompts: Pray for church members to abide in the love of Christ and love one another with the love of Christ. Pray for God to bond the church and future pastor together in love.

## Day 6 Scripture Reading: John 15:16-17

Prayer Prompts: Pray for a season of fruitful ministry as the church prepares for her next pastor. Pray for the search committee to be blessed with answered prayers.

## Day 7 Scripture Reading: Jeremiah 29:11-13

Prayer Prompts: Pray for the search committee and the church to hope in God and seek Him wholeheartedly with the realization that He is in control of the church's future.

## Day 8 Scripture Reading: Psalm 139:23-24

Prayer Prompts: Pray for members of the search committee to have hearts that are pure as they work through the pastor search process. Pray for your future pastor to maintain a pure life before God.

## **Day 9 Scripture Reading: Ephesians 6:10-11**

Prayer Prompts: Pray with the understanding that searching for a pastor is primarily a spiritual process, so spiritual warfare will be present. Pray for God's protection on the search committee and the church.

## **Day 10 Scripture Reading: 2 Timothy 2:1-2**

Prayer Prompts: Pray for your future pastor and his family to be strengthened by the grace of Jesus Christ. Pray that your future pastor will be a faithful disciplinarian.

## **Day 11 Scripture Reading: James 1:5-8**

Prayer Prompts: Pray for the search committee to seek God's wisdom as they review resumes and prepare to contact potential pastoral candidates. Pray for church leaders to seek God's wisdom in the interim period.

## **Day 12 Scripture Reading: Colossians 1:9-12**

Prayer Prompts: Pray for your future pastor and his family to be certain that it is God's will to transition to a new field of ministry. Pray the Father will be glorified in the pastor search process.

## **Day 13 Scripture Reading: Acts 2:41-42**

Prayer Prompts: Pray for the church to reflect the six elements of a healthy church both in the interim period and when the new pastor is called to serve. (worship, discipleship, ministry, fellowship, evangelism, and prayer)

## **Day 14 Scripture Reading: Revelation 3:1-6**

Prayer Prompts: Pray for the church to be filled with life through the Holy Spirit. Pray for the church to be strengthened to carry out the vision God has for her.

## **Day 15 Scripture Reading: John 13:34-35**

Prayer Prompts: Pray for the search committee and the church to be obedient to Christ's command to love one another. Pray the church's Christ-like love will be seen by the world.

## **Day 16 Scripture Reading: Ephesians 3:20-21**

Prayer Prompts: Pray the power of Christ would be known in and through the church and that all glory would be given to Him throughout the pastor search process.

## Day 17 Scripture Reading: Psalm 51:10-12

Prayer Prompts:

Pray for each member of the search committee to stay close to the Lord through hearts that are continually cleansed by Him. Pray for your next pastor to keep a clean heart before the Lord.

## Day 18 Scripture Reading: 2 Timothy 4:1-5

Prayer Prompts: Pray for your future pastor to faithfully preach the Word of God. Pray the Lord gives the church a hunger for the Word of God and receptivity to the sermons that are preached by the new pastor.

## Day 19 Scripture Reading: Hebrews 13:17

Prayer Prompts: Pray for your future pastor to faithfully shepherd the church and for members of the church to willingly and joyfully place themselves under his servant leadership.

## Day 20 Scripture Reading: Joshua 1:9

Prayer Prompts: Pray for each member of the search committee to have an overwhelming sense of God's presence and guidance as they work through the steps of the pastor search process.

## Day 21 Scripture Reading: Proverbs 2:2-6

Prayer Prompts: Pray for your future pastor to seek God's wisdom in every area of life and decision making. Pray for the search committee to be attentive to the Lord's wisdom.

## Day 22 Scripture Reading: James 4:1-12

Prayer Prompts: Pray for church members to humble themselves before the Lord and seek His cleansing power in order for revival to come. Pray for the search committee to continually submit to God's will.

## Day 23 Scripture Reading: John 17:20-23

Prayer Prompts:

Pray for the church to be unified so that the world will be impacted with the gospel and the Father will be glorified. Pray for the search committee to be unified in their decision making.

## Day 24 Scripture Reading: 2 Timothy 2:15

Prayer Prompts: Pray for a pastor who is able to rightly divide the Word of God. Pray for the search committee as they listen to sermons of potential pastoral candidates.



## **Day 25 Scripture Reading: Jeremiah 33:3**

Prayer Prompts: Pray that a burden for deep and urgent prayer permeates the church not only as you seek God's will for a pastor, but also as you seek God's vision for the church.

## **Day 26 Scripture Reading: 1 Timothy 3:1-7**

Prayer Prompts: Pray for your next pastor to be a man who exhibits Christ-like character both publicly and privately. Pray for your future pastor's family as they transition to a new work.

## **Day 27 Scripture Reading: Colossians 3:12-17**

Prayer Prompts: Pray for your church to grow in love toward one another. Pray for unresolved conflict to be worked out and for reconciliation among any broken relationships in the church.

## **Day 28 Scripture Reading: Ephesians 1:15-23**

Prayer Prompts: Pray for your future pastor to grow in the wisdom and knowledge of Christ. Pray for the church to look to Christ as the Head of the body.

## **Day 29 Scripture Reading: Revelation 3:14-22**

Prayer Prompts: Pray for the church to fight against lukewarm spirituality. Pray church members repent of a lukewarm spirituality and become filled with a zeal for Jesus and His Kingdom work.

## **Day 30 Scripture Reading: Hebrews 10:19-25**

Prayer Prompts: Pray for the church to be committed to biblical worship. Pray for the search committee to be confident that they are following God's will as they make decisions regarding your future pastor.

## **Day 31 Scripture Reading: 1 Peter 5:1-4**

Prayer Prompts: Pray that your future pastor shepherds the church in a biblical and Christ-exalting manner. Pray for your future pastor's walk with Christ.

## **Day 32 Scripture Reading: 1 Peter 5:5-7**

Prayer Prompts: Pray for mutual respect and humility between the church and your future pastor. Pray for the church to follow the leadership of your future pastor.

## Day 33 Scripture Reading: 1 Peter 5:8-9

Prayer Prompts: Pray for the search committee to remain humble before God and that they will not be anxious, but trust God's leadership. Pray that the church will stand firm against the schemes of the devil.

## Day 34 Scripture Reading: Ephesians 5:15-16

Prayer Prompts: Pray for the search committee to make wise use of their time during their meetings. Pray for the Lord to reveal His will to your future pastor.

## Day 35 Scripture Reading: Isaiah 55:6-9

Prayer Prompts: Pray that in times of discouragement, the search committee and the church will seek the Lord diligently and have confidence that He is at work bringing the church and future pastor together.

## Day 36 Scripture Reading: Colossians 1:24-29

Prayer Prompts: Pray that when the time comes to extend a call to your next pastor, God will make it unmistakably clear to the future pastor and church. Pray for the Lord to work powerfully in the church to make disciples.

## Day 37 Scripture Reading: 2 Timothy 2:24-26

Prayer Prompts: Pray for the search committee to discern if potential pastoral candidates possess the biblical qualities of a servant of the Lord. Pray for the church to affirm these qualities in their future pastor.

## Day 38 Scripture Reading: Galatians 6:9

Prayer Prompts: Pray for the search committee to not grow weary in their work. Pray that the search committee and the church will be able to see God's hand at work bringing you and your future pastor together.

## Day 39 Scripture Reading: Philippians 2:1-11

Prayer Prompts: Pray that Christ's attitude of humility and servanthood permeates both the search committee and the church during the pastor search process.

## Day 40 Scripture Reading: Matthew 28:18-20

Prayer Prompts: Pray for your church to be a Great Commission church that makes disciples. Pray that your future pastor will be a Great Commission leader.

MISSION  
*POSSIBLE!*

**The Pastoral Search Committee Handbook**

**A handbook  
to assist "Search Committees"  
in discerning and welcoming  
ministerial leadership for their church**

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Anderson, Indiana  
2004**

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# INTRODUCTION

John Maxwell states, "Everything rises and falls on leadership!" Whether it is in the classroom, the corporate office, or a local congregation that truth is affirmed over and over.

You might assume that when I am talking about leadership, I mean clergy leadership. To a degree, of course, that is right. This manual, however, is directed to the leadership that is selecting a new pastor or staff member. **That is YOU!**

Since most lay leaders are neither experts in the search process nor in interviewing candidates, this manual is designed to help guide you through one of the most important processes a congregation can engage. It provides information and knowledge that will assist you in being a good, strong leader of that search and selection process.

This manual has been prepared by area administrators, senior pastors of large and small congregations, lay leaders, and North American leaders. While we have worked to keep the pages as few as possible, we need to give you the information you need for the process that is ahead of you.

In the Church of God, each congregation enjoys and operates with both autonomy and accountability in the selection of ministerial leaders.

- **Autonomy**—In the Church of God reformation movement, no state, province, or national office simply sends a person to you with a sign that says, Your New Leader! The responsibility, selection, and decision rests with the prayerful, thoughtful, and thorough processes of local leaders.

- **Accountability**—Each congregation has a heritage, a history, and a connection with other Church of God congregations in their region, the nation, and around the world. Each congregation is recognized and credentialed by the assembly in its region. There should be interaction and cooperation of ministry and support. Though the selection of ministerial leadership is yours to make, partnership and dialogue with your area administrator or Church of God Ministries in making that decision is of the greatest importance.

*Mission Impossible* always started with a person holding a packet and listening to a voice saying, "YOUR mission, should you choose to accept it,...." Well, here you are, holding this packet and the voice I pray you hear is that of the Holy Spirit saying, "YOU have been chosen for this mission; it is a mission possible, because I will guide you, never forsake you, and show you whom I have selected for this congregation."

The *Mission Impossible* voice ends with, "Good Luck." I'm glad to tell you that as Christians we don't depend on "luck." The pages of this manual are meant to guide you in sound and practical steps from the moment your current minister resigns through the celebration of the new leader God has brought to you. The Holy Spirit will guide you in knowing the will of the Father. So, instead of luck, receive the blessing that comes with serving in this capacity and being God's partner for this critical Mission Possible!

Jeannette Flynn  
Anderson, Indiana  
2004

## CHURCH OF GOD MINISTRY CONNECTOR

Instructions for getting your church online when seeking a Staff Person.

Go Online to [www.chogministryconnector.com](http://www.chogministryconnector.com).

At the bottom of the page click on Churches...Post Open Positions

Click on Create a New Account

Follow instructions.

There you will create a Login and a password that will enable you to add to or update your profile.

Your State Pastor will be asked to approve your church's listing.

Then your churches profile will be available to all persons seeking ministry position in the Church of God who are on the Ministry Connector.

You will receive e-mail notices of all persons who are interested.

We recommend your committee not look at each resume as you receive notice but allow the list of interested ministers to grow over about a month; then look at them together with other resumes you have collected from the State Pastor, or other sources. It will be much less time consuming and confusing. Follow the "Steps in Process"...Folder Tab "Selection Process" as you continue from this point.

## Search Committee Reading Resources Price List

<u>It Only Hurts on Monday</u>	McIntosh, Edmondson	\$10.00
<u>Healing the Heart of Your Church</u>	Quick	\$12.00
<u>Confirming the Pastoral Call</u>	Umidi	\$ 8.00



## **SELECTING THE PASTORAL SEARCH COMMITTEE**

**by Sam Dunbar**

Since choosing a pastor is one of the most important decisions a church will ever make, the selection of the pastoral search committee that provides leadership for calling a pastor is also a crucial matter. It is essential that the search committee be selected in a thoughtful, prayerful process that is clearly communicated to the entire congregation.

### **Committee Formation**

In many instances the church's bylaws will specify how the pastoral search committee is to be chosen. It should be noted here that the search committee might be referred to as a pulpit committee in some bylaws, especially if not recently revised. The church's bylaws should be carefully consulted and followed regarding their description of the process.

Some bylaws will call for the pastoral search committee to be made up of several persons who will serve by virtue of offices they already hold in the church leadership structure. For example, the committee may be designed to be made up of such persons as the chair of the church council, the chair of the board of trustees, the president of the women's fellowship, and so forth. Churches that operate with a board of elders may designate certain elders to serve. Many church bylaws, however, are less specific. They may simply state that the church council, trustees, or elders shall appoint or provide for the election of a search committee. Some church bylaws may provide for a pastor-parish relations committee that is assigned the search task. Whatever the bylaws prescribe should be carefully adhered to in the process.

Generally speaking, however, in assigning the pastoral search to a church leadership group with other responsibilities for the general operation of the church is highly inadvisable. Since church leaders are almost exclusively volunteers, and often people with many responsibilities,

even the most dedicated may be tempted to neglect the pastoral search in the face of many other pressing duties—or vice versa. Even if they make the pastoral search a priority, the search process can end up crowded onto other agendas. The risk is an almost inevitable degeneration of church life while a pastoral search languishes. It is in the best interests of the church's health to have a committee exclusively assigned to the pastoral search, even if some busy leaders also serve on the pastoral search committee. A pastoral search committee with the singular assignment of seeking new permanent, pastoral leadership best serves the church's needs.

If the bylaws do not specify the exact number of persons to serve on the search committee, it is recommended that the number be no fewer than five persons and usually no more than nine. Even in the smallest of churches the most representative group possible should pursue the pastoral search, and it is difficult to provide good representation with fewer than five members. Groups larger than nine tend to become unwieldy, find difficulty in achieving quorums, and often struggle to come to consensus. For the church that is concerned about combining adequate representation with a good functional committee size, an ideal number may be seven.

Some church bylaws will call for the search committee to be appointed by the appropriately designated leadership group within the church—council, trustees, elders, and so forth. Other bylaws specify that the search committee membership be taken to the congregation at large for an election or ratification vote. Whatever is specified in the bylaws, it is always advisable to seek the church's endorsement of the pastoral search committee by vote. Even if the bylaws do not specifically require it, how could an additional gesture of approval be considered anything less than appropriate and desirable? The more that can be done to bolster the church's confidence in an open process is commendable and considerate of the whole body of believers. It will cover the entire search process with an atmosphere of trust and confidence.

### **Primary Responsibilities**

What sort of persons should be appointed to a search committee? While many different desirable qualities could be listed, of greatest importance is a deep and abiding faith in Christ and a demonstration of "thoroughly Christian attitudes and values."<sup>1</sup> If the early church chose persons "full of the Holy Spirit and wisdom" (Acts 8:3), to take up daily administrative detail "who are known to be full of the Holy Spirit and wisdom,"<sup>2</sup> how could we do any less than choose persons to guide the church in the selection and call of a pastor? The church may be tempted to turn to persons with various kinds of expertise in secular personnel matters or psycho-social understandings, whose Christian commitment may be less than clear. In the final analysis, it is the genuine follower after the life of Christ who is most qualified to help find true spiritual leaders. Persons with knowledge in other areas whose spiritual ardor is less certain may be consulted for a certain type of input, but above all else, search committee members must be deeply committed and genuinely sincere Christians.

Beyond this most basic, spiritual test the members of the search committee should be persons with keen insight, proven commitment to the local church, a prayerful lifestyle, trustworthy conduct, and proven ability to maintain confidences. As Keith Huttenlocker wrote, they "should be persons of influence within the congregation."<sup>3</sup>

## **Diversity, Representation, and Membership**

It is wise for the church to seek balance in the pastoral search committee by choosing committee members who are appropriately representative of the church body itself. By this we mean that the makeup of the committee should reflect the ages, genders, spiritual giftedness and variant personalities of the congregation. While every particular variation of persons in the church may not be represented, the goal should be to assemble a committee that generally reflects a good cross section of the church body.

Once the search committee has been selected, another act toward strengthening the support of the committee by the entire church would be to conduct a dedication or commissioning of the search committee during the church's primary worship service. Here the search committee can be formally introduced, given a "charge" outlining its duties, and prayed over with appropriate laying on of hands. At this same time, prayer support from the congregation for the committee should be solicited and perhaps a carefully read statement of instruction about how the membership of the church can most appropriately communicate their concerns, interests, and suggestions to the committee could be offered. The committee might also indicate to the church how it plans to provide regular reports of its progress during the search.

## **Getting Organized**

Once the pastoral search committee is formed, its earliest task should be to determine how it will be structured and to clarify its duties. In some instances, church bylaws or the appointive body may have already determined who will serve the committee as chair. In most cases, the committee will elect its own chair.

As with many deliberative bodies, it is recommended that the pastoral search committee elect a chair, vice-chair, and secretary. The chair should be a person with good leadership skills who can diplomatically and skillfully keep the committee sessions on task while guaranteeing that all members have adequate opportunity to give input and "be heard." The chair should also be someone who "has the respect of virtually all members of the congregation, is a good process person, and is able to make an effective public presentation."<sup>4</sup>

The vice-chair would serve in the chair's occasional absence or perhaps take on the role of providing for certain committee functions, such as setting up conference calls when it comes time for interviews or making travel arrangements for out-of-town guests.

The secretary would keep an adequate, well-preserved, and confidential record of the committee proceedings and, perhaps, handle some correspondence for the committee—though this latter duty is sometimes assigned to other personnel.

Once the search committee has selected its officers, its first order of business should be to obtain proper training for the task that lies ahead. All the members should immediately commit themselves to faithful attendance at meetings as well as regular and steadfast prayer over their assignment. Beyond that, the committee should contact their state or district office of the Church of God or the credentials chair for their area to request consultation and training. They can also contact the Congregational Ministries Office of Church of God Ministries in

Anderson, Indiana, for assistance.<sup>5</sup> They should request that an advising or counseling minister be designated to meet with their committee on a regular basis. If no adequate state or district structure is in place to designate an advising pastor, in consultation with the other duly elected leaders of the congregation, the search committee should seek an advisor from among the most respected and highly regarded Church of God ministers in their area. This person will be able to answer questions that arise, clarify how the overall process works, and offer other sound counsel to guide them throughout the pastoral search.

### **The Committee and the Interim Pastor**

A clarification that will need to be obtained very early on in the process relates to the committee's duties regarding the current pastoral and pulpit vacancy versus the actual search process. When a pastor resigns and vacates the pulpit, in addition to seeking a regular, permanent pastor for the church, there is a need to have the church's pulpit filled each Sunday before a new regular pastor arrives. The search committee needs to know the answer to the question: whose responsibility is it to make certain that the pulpit is filled? In many churches this has been a responsibility assigned to the search committee, though it is highly recommended that this duty be assigned elsewhere.

The pastoral search committee, in order to focus clearly on its greatest assignment—the obtaining of a new regular pastor for the church—should make every effort to assure that interim pastoral care and preaching is assigned to some other leadership structure in the church. If the pastoral search committee is assigned to provide for interim pastoral care and preaching duties, it may create a regular and often hindering distraction to its primary function. This is only one of the reasons that it is almost always in the best interest of the church to secure an interim pastor to serve the church until a regular, permanent pastor is called. As in the matter of obtaining an advisory or counseling minister, the search committee should consult its state or district office or the Congregational Ministries Office in Anderson for direction and advice about obtaining a qualified interim pastor. (See chapter 3, on *The Interim Pastor*.)

### **Team Building**

The final stage of readying the committee for the adventure may be referred to as “team building.” The pastoral search committee will have already initiated this process by electing officers and taking the other first steps of getting organized. Beyond these initial functional activities, the committee needs to spend some time praying together for and with each other as well as sharing their hopes, vision, even prejudices and fears about the pastoral search process.

It is beneficial for the pastoral search committee to spend some time—at least one meeting session—getting better acquainted with one another. Even if they assume that they are already familiar with each other's lives, they need to be updated about those interests and concerns that they will carry with them to the meetings that will occur throughout their time together in the search process. This kind of sharing will help the committee to guard against interfering issues such as conflicts of interest or distractions that could prevent a member from giving her or his best service to the committee. There have been occasions where it becomes necessary for a committee member to resign before the search process is completed, due to ill health or other matters of grave concern. Such a departure is always eased and facilitated when the

committee members have bonded well enough that they can be supportive of, or even gently confrontational in helping to facilitate such a departure. Any search committee member who determines that he or she cannot continue to serve should only resign following consultation with the full committee membership.

### **Confidentiality**

Together, the committee needs to establish a covenant of confidentiality, including the commitment to confront lovingly but definitely those who breach their mutual confidence. The pastoral search committee needs to understand that when they discuss possible career changes and relocation with prospective pastors, they are engaging in discussion about life changes that profoundly impact not only pastors and their families, but also the lives, dreams, and emotional investments of brothers and sisters who make up the churches they currently pastor. A lack of sensitivity about confidential communications related to these issues can be damaging and even devastating to both individuals and congregations.

The pastoral search committee needs to understand the difference between secrecy and confidentiality. Further, the committee needs to communicate that difference many times to the congregation it serves. The maintenance of confidentiality in the pastoral search context has to do with gathering, evaluating, and guarding information until such time is as it becomes appropriate to communicate pertinent aspects of that information to the church's consideration of a pastoral candidate.

Secrecy, on the other hand, suggests gathering information that it never intends to share or portends some sinister use. As part of the process the search committee may learn much information that will never be appropriate to share in a public context, for instance information about prospective candidates that have been considered but will not be presented to the church. If any member of the search committee has a question about anything that is or is not appropriate to communicate, that matter in question is an item that should be discussed and decided upon by the entire search committee. In this regard, and many others, each member of the search committee needs to commit to be bound by the decision of the entire committee.

### **Consultants and Advisors**

Part of team building is deciding exactly what role the advising minister will play in the process. He or she will give you some guidance about this, but the committee should also be prepared to negotiate the advisor's role to some extent. Some committees call for an advisor to be present only occasionally for their meetings—bringing résumés, reporting on reference calls, and consulting about certain obstacles or difficult decisions. Some committees choose to treat the advising minister as a fully involved and participating member of their committee. In that case, the advisor would be notified and expected to attend each meeting, participate fully in discussions, and be completely involved in referencing and investigations—but not voting on the decision to recommend a final candidate for consideration by the congregation.

### **Keeping the Church in the Loop**

During the period of team building the search committee should plan for a regular process of communicating with the church about its work and progress. Notes in each issue of the church

newsletter or bulletin are advisable. In addition to these, the committee may want to designate various members to provide brief, verbal reports to the congregation on a consistent basis. These should not be detailed reports but provide a summation of where the committee is in the process. Reporters might say something like: "We have received and are reviewing résumés and especially solicit your prayers for God's guidance as we begin evaluating just who it is God is calling to serve as our pastor."

### **Deciding**

Whenever possible, the pastoral search committee should be unanimous or virtually unanimous in recommending a candidate to the church for consideration as pastor. This will not always happen, of course, but it has a much better chance of occurring if the search committee has spent quality time together, earnestly sharing, praying, and deliberating over its task. Time spent building itself into a mutually supportive team will benefit God's church for years to come.

- 
1. Keith Huttenlocker, *A Handbook for Pulpit Committees* (Anderson, Ind: Warner Press, 1991), 8.
  2. New International Version (Grand Rapids: Zondervan Bible Publishers, 1978).
  3. Huttenlocker, 8.
  4. Ibid, 9.
  5. Church of God Ministries, P. O. Box 2420, Anderson, Indiana 46018-2420. Telephone: (800) 848-2464. *Yearbook of the Church of God* (Anderson, Ind: Church of God Ministries, 2003), 37.

## STEPS USED IN THE PROCESS FOR FINDING A SENIOR PASTOR

### FOLDER TABS "SEARCH COMMITTEE" and "PASTORAL SEARCH"

1. Establishment of Pulpit Committee (Contact Mark Richardson).
2. Ratification of Pulpit Committee by the congregation.
3. Pulpit Committee meets and organizes; selection of Chair, Vice-Chair and Secretary.
4. Develop a prayer ministry for committee and candidate.
5. Create an account on [www.chogministryconnector.com](http://www.chogministryconnector.com) - **Tab**

### FOLDER TAB "THE INTERIM PASTOR"

6. Arrange for interim and pulpit supply.
7. Bill Jones will provide a list of potential interims. Try to have an interim in place within 4 to 8 weeks.
8. Create Interim Agreement, last page in this tab.

### FOLDER TAB "ASSESSMENT"

9. Assess needs of congregation. Survey congregation.
10. Pulpit Committee develops Job Description from the congregation surveys and responses.
11. Remember you must balance what the congregation wants and what it needs.

### FOLDER TAB "PAY PACKAGE"

12. Get information in this tab to finance people.
13. Pulpit Committee is given input from Trustees regarding financial package.
14. A financial package is proposed. Be flexible so it can be worked out with the new Pastor.

### FOLDER TAB "SELECTION PROCESS"

15. Sources for potential candidates:
  - a. Resumes may come from congregation, Church of God in Michigan Service Center, Church of God Ministry Connector, pastors that you seek out. **AND**
  - b. Unsolicited resumes.
16. Develop criteria for evaluating resumes established from the needs expressed in the congregational survey and your committees discussions.
17. Evaluate resumes, matching the needs of the congregation with the gifts and strengths of potential candidates.
18. Select the **THREE TO FIVE** strongest candidates for initial interview. (First call to see if they are still looking/interested in your congregation?) Ask for Audio/Video sermons.
19. Check **ALL** references. Have **Mark Richardson check on their standing in ministry and their credentials.**
20. Actual Interviews.
21. Pulpit Committee comes to an agreement on a person to present to the Church Council.
- 22. Call Service Center to have Criminal Background and Credit report run.**
23. Preparation of material on candidate. Submit candidate's name to church council for approval.
24. Send name and biographical information to the congregation.
25. Arrange for Candidating weekend.

### FOLDER TABS "ASSIMILIATION" and "GOOD START"

26. Congregational Business Meeting to vote on candidate.
27. Installation.

**NOTE:** All candidates that you contact ought to be kept abreast of their status with you.

## **THE SPIRITUAL DIMENSION OF THE PASTORAL SEARCH**

**by Ryan Chapman**

All of the work done by the Pastoral Search Committee has a Kingdom focus. Because the search committee's work will be of enormous importance to the life of the congregation for years to come, the intentional development of a prayer covering—that extends throughout the entire search process—is vital. No matter how able the committee, “Unless the LORD builds the house, its builders labor in vain” (Psalm 127:1, NIV).

Of all the input the committee will receive, God's wisdom is the most important. The Lord is quite willing to give direction if we desire it. “If any of you is lacking in wisdom, ask God, who gives to all generously and ungrudgingly, and it will be given to you” (James 1:5, NRSV). On behalf of the church in Colossae, Paul requested that God would fill them “with the knowledge of God's will in all spiritual wisdom and understanding” (Colossians 1:9, NRSV).

The Search Committee's assignment is to try to find the right person for the unique work of pastoring. It's tempting to want a pastor like the one at the successful church down the road or to be overly impressed with the secular CEO model of leadership. A prayer covering will help focus the committee and the church on what it really means to identify and extend the call to *God's* person to become the new pastor.

What follows are important guidelines to consider as you develop a ministry of prayer focused on the pastoral search.

### **Be Comprehensive**

Ask for God's help with this search at all of your worship services, meetings, and gatherings. The pastoral search focuses on one of the most vital components of the church's life. It is important to have the benefit of the prayers of the whole church. When the new candidate is



presented, those who have been in prayer during the search are more likely to sense a higher level of ownership in the process.

### **Prayerful Steps for the Pastoral Search Committee**

If the bylaws of your church do not define the membership of the search committee, pray for the selection of the right persons to serve. At the very beginning of the search process, call the pastoral search committee to the front of the church during a morning service, invite the congregation to gather around them, lay hands on them, and pray for them.

A search can take a long time, so it may be appropriate to call the committee members before the congregation at other times and, again and again, ask God to bless their efforts. In the regular Sunday morning pastoral prayer, the Pastoral Search Committee should always be among those for whom the pastor prayed. At the conclusion of the search, call the committee members before the church and offer a prayer of thanksgiving for their huge contribution.

### **What to Pray for**

Pray that the committee will fully understand the kind of person God knows to be best for the congregation. Wisdom may come from persons who are not on the committee. Pray that committee members will ask the right questions of others in the church—and that they will listen with open ears and hearts.

Pray for upcoming pastoral search committee meetings.

### **Guidelines for the Pastoral Search Committee**

- **Discern**—The search for a pastor is essentially a matter of spiritual discernment. The gift of discernment is defined as the ability to distinguish between truth and error, to know when a person or act is of God (1 Corinthians 12:10). The Pastoral Search Committee carries the weight of a major responsibility—a task that can be lengthy and filled with temporary setbacks. Be sure that the committee does not get so caught up in the work at hand and the details that it fails to spend significant time in prayer during its meetings seeking God's will and insight. Should the group ever feel stuck, the members should be willing to stop and seek God's help.

- **Communicate**—The committee also acts as a major conduit of specific prayer requests to the church. While confidentiality in a search must be honored, the church must be kept informed of when the committee meets and in what ways they may be able to pray for the committee. Share as much specific information as is appropriate so that the church can pray in an informed way.

### **The Word**

The Bible is the invaluable resource in helping the committee focus on the spiritual dimension of its assignment. Allow the Scriptures to inform the process. For example, in one of your meetings reflect on James 1:5, NRSV: "If any of you is lacking in wisdom, ask God, who gives to all generously and ungrudgingly, and it will be given to you." Spend time giving thanks for

what God has already made clear. If any areas still seem unclear, ask for God's help. When there are areas where the prospective candidates need clarity, enumerate those areas and pray for them.

You may also find it helpful to think through the major biblical issues that illuminate what is important to God. Spend some time reflecting on the Jesus model of leadership: "Do you not know what I have done for you? You call me Teacher and Lord—and you are right, for that is what I am. So if I, your Lord and Teacher, have washed your feet, you also ought to wash one another's feet. For I have set you an example, that you also should do as I have done to you" (John 13:12–15, NRSV). Which candidates seem most likely to minister effectively in these areas? Throughout the whole process, follow the command to "Let the word of Christ dwell in you richly" (Colossians 3:16, NRSV).

### **Fasting**

We know from the Scripture that there is the expectation that the church will fast. Jesus said, "*When* [not if] you fast..." (Matthew 6:16, NIV). Challenge the congregation to fast one meal a week until the new pastor comes. This will help create greater spiritual depth and also benefit the Pastoral Search Committee, not to mention the entire discernment process.

### **Praying for the Candidate**

Although early on you will not know the identity of the person who will become your pastor, pray that the future candidate will clearly discern God's call.

- Pray for the candidate's spouse and children. This is often a difficult time of transition—especially for children.
- Pray for the candidate by name once that individual is selected and an announcement is made to the congregation.
- Gather in the pastor's study prior to the candidate's preaching times and pray for God's anointing. Instead of thinking about the "candidacy," at that moment, focus on asking for a clear, powerful presentation of scriptural truth.
- Pray for the right employment opportunities, if needed or desired, for the prospective pastor's spouse.

### **Pray for the Sending Church**

The new pastor may be coming from college, seminary, or another career. Most likely, your new pastor will be coming from another congregation. Pray for the church that the pastor is leaving. Pray for a positive exit; pray that God will give that congregation wisdom in its own pastoral search.

## **Praying for the New Pastor**

When the new pastor and family arrive to begin their ministry, during a morning service, gather around all of them for a time of prayer. Often a more formal installation service will be planned for a later date. This prayer experience, however, can take place immediately.

Many congregations already have a well-developed prayer ministry with a specific team praying for the pastor or pastoral staff. If your church does not have such a ministry, this would be a great time to help the pastor organize one. Two classic resources for a pastoral prayer ministry are *Partners in Prayer* by John Maxwell and *Prayer Shield* by C. Peter Wagner.

PRAY FOR OUR CHURCH  
and The Person God is Preparing  
To Be Our Minister

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Pray Today  
For  
Our Pulpit Committee

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## **Search Task Force Covenant**

Recognizing our total dependence on the Lord and pledging to follow the Holy Spirit in the calling of His chosen leader to our church, we agree to serve Him together in the following commitments:

### **Prayer**

- We will pray daily for the Holy Spirit to search our hearts and bring us to continual repentance and purity before our Father.
- We will pray daily for one another that we may be unified in our understanding of the heart and will of our Father.
- We will pray for our church and for the candidates who come before us for confirmation of a call.

### **Communication**

- We will allow one another the freedom to express ideas, feelings and concerns in an atmosphere of openness.
- We will speak honestly and sincerely with one another without taking offense.
- We will be responsible with privileged information and maintain the confidentiality of task force discussions.
- We will preserve the integrity of the committee relationships by not criticizing members or procedures except in face-to-face task force sessions.

### **Accountability**

- We will be both thorough and ethical in all our investigations and evaluations of candidates.
- We will promptly and tactfully notify in writing those candidates dropped from consideration.
- We recognize our accountability to our present church leadership and to our congregation and will communicate regularly and clearly on our progress.
- We will recommend to the church only that candidate whom we can fully support in a spirit of unity.

## **THE INTERIM PASTOR**

**by Oral Withrow**

Dave's telephone call came as Laura and I were doing the things we had promised ourselves during the first weeks of retirement—we intended to travel and relax for some time. He asked if I was open to serving as the interim pastor for the church he served as minister of music. I agreed a few days later to accept the responsibility. We enjoyed it; the congregation and, later, the newly called pastor, generously expressed appreciation for our ministry. Serving as an interim pastor has been far more fulfilling for me and, if I have heard correctly the reports from the churches we have served, more beneficial to the local church than they had anticipated.

There was a time in past generations when very little time elapsed between the departure of a former pastor and the arrival of a new pastor. For most congregations, that has changed. Persons who counsel congregations advise that the time it takes to consider the needs of the church, to consider candidates, and to call a pastor now usually takes at least a year. There are several reasons but the following will suffice for our understanding here:

- Increasingly congregations are more intentional and selective in the education and skills they seek in their next pastor—and are wisely using the transition time.
- Increasingly, pastors consider the school involvement and other priorities of the children in their family before considering a move.
- More so today, the pastor's spouse is employed in a significant vocation to which he or she senses a call and that person's sense of being released is an important factor in the potential pastor's move.
- Congregations are encouraged to do a self-study and then a profile of a pastor that could lead them most effectively.

- Very simply, a shortage exists in the Church of God, and in many church groups, of available qualified pastors.

Some church groups require an interim period of at least a year between pastorates. Information on interim pastorates in the Presbyterian, Lutheran, and Southern Baptist churches, for instance, is available on Web sites and can be studied by entering the name of the church group and then the words *interim pastor*. The material for the Presbyterian Church is informative but their governmental structure, and that of the Lutherans, is different from our congregational form of church government. In the Church of God, guidance and advice are the strongest counsel national and area organizations can offer a mature congregation.

**Available to be an interim pastor:** Experienced ministers have become increasingly aware that a personal ministry may be enlarged or extended through service as an interim pastor. Among those available for assignments probably two categories of pastors accept most interim assignments:

**Retired pastors:** Ministers serving full-time in higher education; they are limited by the travel time to the church and teaching schedule

Many feel it is unwise to call a member of the congregation to be the interim pastor. A congregation, often influenced by a false economy, is tempted to ask an associate pastor to be the interim pastor. It is considered unwise because, for one thing, the regular responsibilities of the associate will be neglected as additional pastoral responsibilities are assumed. Another reason is that it is often difficult for the associate and some members of the congregation for that person to return to the associate's role—not a small consideration even for the maturest persons.

### **The Call of an Interim Pastor:**

The local pastoral search committee obtains the names of possible interim pastors usually from the following persons and sources:

- The state or area Church of God administrator or the chair of the area credentials committee; local church leaders may secure telephone numbers and addresses for these persons from the *Yearbook of the Church of God*.
- The administrators in the national Church of God Ministries office, 765-642-0256, ext. 2189, or 1-800-848-2464, ext. 2189.
- A well informed and respected senior pastor who for this purpose, and maybe other purposes, becomes a consulting pastor for the committee—a person recognized as a statesperson by his or her peers.
- The former pastor may make suggestions, but even the most mature may not be totally objective; the advice of a former pastor will best be augmented by counsel from other sources.

Sometimes a search committee (as well as a possible interim) may wish an interim candidate to preach a couple of times before a decision is made.

**Covenant:**

A written agreement or statement of understandings is important. The covenant will clearly state the beginning and duration of the interim pastor relationship, responsibilities of the interim pastor and the congregation, mutual obligations in notifying each other if the relationship is to be discontinued, compensation, and so forth. The covenant will not presume to define pastoral prerogatives like the nature and content of sermons.

Samples of covenants are included in the appendix of this handbook; one is a standard and more formal covenant and the other is a more personalized statement. It may be stated in the covenant—and cannot be emphasized too often—that the interim pastor will not be a candidate to be the senior pastor. An interim pastor that is cordial and does the task well will be considered by some to be the one who is the obvious choice for pastor—it happens often. The interim pastor enters into a fellowship and intimacy with a congregation and his or her own needs may cause the interim pastor to aspire to be the senior pastor. Several negative situations can develop if either the church or the interim pastor allows this possibility to be considered. Church groups with vertical authority structures prohibit such possibility specifically. In the Church of God, with a congregational form of church government, rules cannot be handed down but this guideline needs to be honored by each congregation calling an interim pastor.

**Compensation:**

This is no place to economize; both the congregation and the interim pastor can err by agreeing to compensation that is not consistent with the ability of the congregation nor an adequate reward for the hours and efforts the interim pastor will give to the church. I know of no instance, by the way, when an interim pastor has asked for unreasonable reimbursement, but I do know of instances when the good work of an interim pastor was too modestly rewarded. Cheaper help may be available—it usually is—but the congregation needs the ablest communicator and leader it can find to help it prepare for its next era of ministry.

One person with a variety of experiences as an interim pastor asks the congregation to use the following formulae, for which he/she plans to work twenty-five to thirty hours per week. He/she suggests that they total the previous pastor's salary and benefits and then make his salary one-half of that amount, prorated by the week or other pay period. Another requests \$400 or \$500 per week for part-time assignment. (The amounts are considered adequate by this person for the year 2003 but may increase.) Persons serving as interim pastors have different financial needs and those needs should be taken into account. The committee determining compensation should include visionary and generous persons.

At least three other financial provisions will wisely be made: The **reimbursement** of travel expenses to and from the pastors out-of-town home; some interim pastors travel to their home weekly and others will make occasional trips. A standard business per mile rate reimbursement should be provided. A **discretionary fund** should be put at the disposal of the interim pastor to use in hosting associate pastors, leaders of the church, and for such other



expenditures as he or she deems necessary. Naturally, a comfortable and convenient provision will be made locally for **lodging**.

**Term:**

The term of service for an interim pastor is usually six months to a year. Both parties may consider the assignment in three-month segments. The covenant will wisely indicate that the term is concluded when the new pastor is called, on a date decided by the congregation or the responsible committee. The church or the interim pastor may conclude the relationship at the end of any three-month period if either considers the relationship non-beneficial.

The term also includes the days involved in the assignment each week. An interim pastor may serve:

- **Sunday mornings only as the worship speaker.** It is probably best not to describe as an interim pastorate. The older phrase “filling the pulpit” would be more accurate.
- **Three or four days including Sunday, for approximately twenty-five to thirty hours per week.** Most interim pastorates are structured on this basis.
- **Full-time.** The interim pastor serves the same number of days per week and with the same duties and compensation as the previous senior pastor. A few congregations use this plan.
- **An interim pastor may be called to serve a congregation during a leave of absence or sabbatical experience for the senior pastor.** Fred Shively, director of ministerial education for Anderson University, reports that he has enjoyed this somewhat different task four times.

**Responsibilities:**

Generally speaking, the responsibilities of the interim pastor are those of the senior pastor, which may be summarized as preaching, teaching, pastoral care, and administration but will not include the visioning or futuring work that is expected of a resident pastor. The interim pastor will have a principal, if not the principal, responsibility to preach on Sunday morning during the worship service. It is an awesome task, preaching. Many persons reserve at least a half-an-hour each week to hear the pastor interpret the Bible and the implications for their lives.

The interim pastor may also meet weekly at a mutually convenient time with the associate pastors or, in a smaller church, the worship leadership group. The purpose is coordination of ministries and encouragement as well as conversation and fellowship.

The interim pastor will meet with the pastoral search committee at their invitation and serve as a resource person, careful not to interfere with the pastoral selection process. The interim pastor may also meet with the church council, board of Christian education, board of trustees, and other ministry groups to serve as an informed resource. Some interim pastors have suggested the creation of a transition team to serve as a sounding board and evaluation group with the interim pastor.

The interim pastor may lead Sunday night services, Wednesday evening meetings, and Sunday school classes, as agreed upon in the written covenant. The pastor may offer his or her particular expertise as a special service; I served as a congregational consultant for many churches and made myself and the many materials I have available to the congregation as a gift.

Through sermons, meetings, and conversations, in an important enabling action, the interim pastor can call forth the spiritual gifts and skills of the church members, some gifts that may have been dormant for a time. In several ways the gifts may be re-energized and helpfully employed in the preparation time for the new pastor. Robert Reardon has been an interim pastor for several churches and advises, "Find out who the high trust leaders are and find a way to incorporate them into leadership; i.e. spiritual advisors. Get invited to eat in their kitchens."

It is appropriate to indicate in the agreement the tasks that the interim pastor will *not* do. For example, I had been fatigued by a demanding visitation schedule most of my pastoral ministry. I learned that many lay persons were more gifted than I for the visitation ministries and thus developed structures for a more expansive and intensive visitation. When I am called to be an interim pastor, therefore, I indicate that I will not do a major load of visitation but will help the associate pastors and lay leaders develop a schedule for visitations that may have a positive implication for local lay ministries in the future as well as the present. This type of definition of responsibility may be possible in other areas, depending on the gifts and interests the particular person called as interim pastor. Jerry Grubbs says that he often will not accept any long-term counseling relationships, weddings, and similar responsibilities that create a bond with persons and families of the congregation.

Many persons in the state, area, and national administrative offices encourage the congregation to do a self-study and to develop a congregational profile during the interim. It is a most informative and rewarding exercise; a congregation can learn so much about itself. A statement about the type of pastor that will best serve the church in the future can then be developed—again, a rewarding experience. The interim pastor will accept as an important responsibility the task of both encouraging a congregational self-study and the preparation of a potential pastor profile.

Contacts with key leaders of the congregation are necessary. The contacts may be for lunches or dinners, as a guest in a home, or scheduled meetings with a stated purpose. The meetings can assist an interim pastor as he/she discerns the ministries with which/she may be most helpful and if any difficulties need imminent attention. An experienced interim pastor, Isham E. (Joe) Crane, says that contacts are informative and often lead to healing with persons who may have felt estranged from the congregation. In most contacts the role of the interim pastor is listener and learner.

Type of ministry gifts of potential interim pastor: interim pastors have a variety of strengths and gifts, as do other pastors, as do all of us. Most pastors have developed skills that permit them to work in varied situations and with multiple personality types. Even so, identifying an interim pastor known to have one or more of the following skills may be important for a congregation:

- **Communication**—Some congregations have become accustomed to a pastor with outstanding preaching skills; an interim pastor with average preaching each Sunday morning will be disappointing to that congregation. (By the way, studies have shown that pastors do not do well at evaluating their own preaching, so it is best to get a third party opinion.)
- **Healing**—In previous assignments a potential interim pastor may have demonstrated an ability to help heal fractures in the fellowship. Jerry Grubbs indicates that he encourages appropriate expressions of grief at the loss of the previous pastor and the equally important task of creating “emotional space for the new pastor.”
- **Preparation**—Some persons prepare the congregation well for the beginning of the next pastor’s ministry. They awaken the church by calling attention to possibilities and encourage attitudes and actions of trust in leadership on the part of the people. Also, they may encourage building or staffing needs that are obvious and, thus, pave the way for the new pastor’s initiatives.
- **Visioning**—Pastors that have served with innovative churches will in obvious and subtle ways encourage a group of people to think about what the unique ministry their congregation might have as it embraces the future with courage.
- **Finances**—Many pastors have demonstrated skill at working with churches to increase their resources and on how to budget for ministry. Some churches need guidance in how to arrange for more adequate compensation for their pastor and associates.
- **Culture**—Culture specifications may be obvious, such as Caucasian, Hispanic, African-American, Indian, Korean, and so forth. Additional cultural factors that should be considered in determining who would best serve as interim pastor include the categories like the following: rural, inner city, suburban, factory workers, professionals, older, younger.

Of course, the congregation will want an interim pastor with all these gifts and then insist that he or she become the pastor.

**Sermons:**

Sermons are at the center of worship in our tradition while communion is the focus in other traditions. It is in the sermon that the community of believers receives instruction and inspiration for the Christian life. The sermons of the interim pastor are vital to the health of the community and individual believers during the transition period in the church’s leadership. The needs of the congregation will be assessed through inquiry and prayer by the wise interim and sermons will be thoughtfully prepared and delivered. Observations made about the sermon by experienced interim pastors are:

**Affirming**—It is the one description used more than any other term in speaking of the sermon. The opposite would be condemning, implying blame, or preaching guilt.

- **Lay gifts and leadership**—Lay persons are urged to exercise their gifts and to respond to opportunities for leadership. This time has a potential for a new beginning for persons who have been neglecting their gifts, for whatever reason.

• **Fresh**—Canned sermons are boring to the deliverer and the listener. This does not suggest that all sermons should be from new outlines or manuscripts; many experienced interim pastors have excellent sermons that any church in transition should hear. It is suggested that each sermon be tailored for the present congregation. I did this by demanding of myself the preparation of a new series of sermons based on one of the New Testament epistles; one series that was profitable for me in the context of a specific congregation, was a study of Philippians.

• **Biblical**—It is assumed that all sermons are biblical. In the case of an interim, however, I suggest that Bible stories and the teachings of Jesus be emphasized in order to stress the simple fundamentals of discipleship and church life.

• **Share the leadership**—The interim pastor will preach, but it will be best to insist that lay persons participate in worship leadership, as illustrations in the sermon or, if possible, as participants in the sermon.

### **The Interim Pastor Is *Not* the Pastor:**

It takes discipline to avoid this. The interim pastor is sort of a John the Baptist—a forerunner. The interim is there to prepare the way for a good beginning with a new pastor. Don't carry the metaphor too far, however, the new pastor is not a savior. The roles are different, and the most helpful interim pastor will constantly be conscious of that fact and remind the leadership committee when necessary. Experienced interim pastor Dan Harman says, "I try not to change anything but to help all existing programs, celebrations, and so forth."

The interim pastor will be aware of and refuse to develop a personal following. All of us like to be liked and appreciated. The relationship to avoid is a personal or group attachment; that should be reserved for a resident pastor.

Creative persons, as most experienced pastors are, tend to see things that can be begun, particular edifying ministries. The interim pastor will avoid building programs, establishing ministry priorities, or creating organizational structures.

Maintaining linkages is a key task of the interim pastor during the transition. It is a responsibility to encourage good and honest relationships with area, state, and national Church of God agencies, as well as participation in local ecumenical fellowships.

The Interim Ministry Network "provides some excellent materials and leads good workshops," says Fred Shively. Fred has served as interim pastor for nineteen congregations and has been a member of the Network for several years. Additional information maybe obtained by entering the Web site of a denomination like the Presbyterian Church and key in *interim pastor*; another covenant form is available on that site that may be adapted. An interim pastor's Training Manual (Rev. Ed.), estimated cost twenty dollars, is one of many resources listed on the Internet under interim pastor Bibliography.

## Pulpit Supply – updated May 2024

Churches needing pulpit supply may contact these persons directly. However, we suggest you call the Service Center or a trusted pastor for specific guidance. Ministers may contact Rev. Mark Richardson, [mark@micog.org](mailto:mark@micog.org) or the Service Center (517) 393-7020 or Rev. Joshua Brandt, Chair of Credentials Ministry, (517) 347-3198, [joshua@micog.org](mailto:joshua@micog.org).

Darryl Babcock	Flint	(810) 217-0427	<a href="mailto:darrylb@deecramer.com">darrylb@deecramer.com</a>
John Baird	Saint Joseph	(269) 429-7593	<a href="mailto:jandsbaird@sbcglobal.net">jandsbaird@sbcglobal.net</a>
Carl Baker	Flint	(734) 635-1334	<a href="mailto:carl_bkr@yahoo.com">carl_bkr@yahoo.com</a>
Doug Bilby	Jackson	(517) 499-3994	<a href="mailto:pastordougb@yahoo.com">pastordougb@yahoo.com</a>
Joshua Brandt	Lansing	(517) 347-3198	<a href="mailto:joshua@micog.org">joshua@micog.org</a>
Peter Brooks	Midland	(989) 948-0158	<a href="mailto:lpbrooks@charter.net">lpbrooks@charter.net</a>
Dave Burnett	Ottawa Lake	(517) 755-0057	<a href="mailto:davejburnett1943@gmail.com">davejburnett1943@gmail.com</a>
Robert Confer	Saint Joseph	(269) 983-1524	<a href="mailto:bob.c@myfirstchurch.com">bob.c@myfirstchurch.com</a>
Lula Earnest	Flint	(810) 789-3884	<a href="mailto:lulaearnest@sbcglobal.net">lulaearnest@sbcglobal.net</a>
James Goodspeed	Ithaca	(989) 763-3775	<a href="mailto:jgoodspe@edzone.net">jgoodspe@edzone.net</a>
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Larry Livengood	Niles	(269) 684-7564	<a href="mailto:goodtiki16@aol.com">goodtiki16@aol.com</a>
Timothy McGee	Benton Harbor	(269) 214-1206	<a href="mailto:shchaplain@gmail.com">shchaplain@gmail.com</a>
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Carron Odokara	Inkster	(734) 681-3525	<a href="mailto:codokara@gmail.com">codokara@gmail.com</a>
Lutullus Penton	Flint	(810) 877-8065	<a href="mailto:lupenton@gmail.com">lupenton@gmail.com</a>
Tim Poldrugo	West Branch	(760) 594-2373	<a href="mailto:tpoldrugo@rocketmail.com">tpoldrugo@rocketmail.com</a>
Mark Richardson	Lansing	(517) 325-0925	<a href="mailto:mark@micog.org">mark@micog.org</a>
Stu Roy	Pinconning	(989) 529-5391	<a href="mailto:sturoylc@gmail.com">sturoylc@gmail.com</a>
Robert Schlosser	Flint	(810) 845-4732	<a href="mailto:robertschlosserii@gmail.com">robertschlosserii@gmail.com</a>
Mary Shawl-Ranke	Saint Joseph	(269) 861-5599	<a href="mailto:mcshawlranke@aol.com">mcshawlranke@aol.com</a>
Michael Smith	Niles	(574) 276-3289	<a href="mailto:michaeltsmith63@gmail.com">michaeltsmith63@gmail.com</a>

Mike Stadelmayer	Elkart, Indiana	(989) 390-1499	<a href="mailto:mike.stadelmayer@gmail.com">mike.stadelmayer@gmail.com</a>
Ted Sweet	Jackson	(517) 787-0174	
Diane Tultz	Kalamazoo	(269) 321-1706	<a href="mailto:dianetultz@yahoo.com">dianetultz@yahoo.com</a>
Isaac Turner	Dearborn Heights	(248) 569-9935	
Marjorie Turner	Charlevoix	(231) 547-9782	
Karen Weaver	Standish	(989) 846-4445	<a href="mailto:kjuneweaver@yahoo.com">kjuneweaver@yahoo.com</a>
Rachel Woods	Saline	(734) 223-0377	

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P.  
I.  
H.



## TRANSITIONAL INTERIM PASTOR SERVICES

Guiding churches from *anxiety* to *anticipation!*



# ABOUT T.I.P.S.

Churches often experience a season when **evaluation, healing, and renewal** are essential before searching for and inviting a new pastor to the congregation.

**The TIPS ministry (Transitional Interim Pastor Service) is designed for churches just like yours.** The ministry uses trained interim pastors, those who have a track record of effective ministry, to come and serve a congregation for several months while the search process takes place. This provides grounding for the staff and leadership of the church as well as a sense of well-being for the congregation during the interim.

Our motto is, **"Leading churches from anxiety to anticipation."** Time and time again over the decades of effective interim ministry, we've seen that motto lived out.

Presently, many Church of God congregations across the country are being blessed by the presence of these faithful, skilled interim pastors.



The current average length of pastoral transition is about nine months from when the transition begins until the next pastor arrives. We have discovered this is a key time for the church to **prepare for the next chapter of ministry** and having an intentional interim who is called, trained, and passionate is a key to successfully navigating the transition.





## OUR PROCESS

Our focus is on creating a healthier church. Our **simple process** begins with a church health assessment, a focused time of spiritual renewal, planning and implementation of the plan for church health.

### CHURCH HEALTH ASSESSMENT

NXTstep Church Services provides a **full assessment** to identify the uniqueness of each church. We help the congregation identify the strengths and opportunities facing them as they move into a new season of ministry. This helps inform the search process for the next pastor.

### SPIRITUAL RENEWAL

Our interim pastors lead a time of **focused prayer and renewal** to assist the church in discerning and following God's will for the future of the church. We believe, as Oswald Chambers said: "prayer does not prepare us for greater works, it is the greater work."

### A PLAN FOR EFFECTIVE MINISTRY

From the assessment results, a Transition Team is selected from the church members to review and put a plan together to **implement the recommendations** of the assessment report.

### IMPLEMENTING THE PLAN

New energy and optimism ensue as plans are implemented and goals are achieved. The transition team will give **clear and consistent communication** to the church.



## BENEFITS TO THE CHURCH

- **Teaches the church to celebrate the interim time** as an opportunity to grow and listen for God's voice.
- **Builds board and congregational morale** during the interim and defuses anxiety that is very normal in every pastoral transition.
- Provides **high quality coaching** for church leadership and the Pastoral Search Team to optimize their effectiveness.
- The presence of a seasoned and wise interim **reduces the frantic hurry** to select a new pastor.

## BENEFITS TO THE NEW PASTOR

- Full church health assessment completed to **identify areas where improvement is needed.**
- Community profile is completed to **identify local needs.**
- NXTstep Church Services incoming **pastor's notebook** is completed.
- New pastor can **build on the momentum achieved.**
- The pastoral profile helps **ensure a good match** between the congregation and incoming pastor.

"...celebrate the interim time and listen for God's voice."

# T.I.P.S. TESTIMONIALS

## “WHAT OTHERS SAY”

“The TIPS ministry is a very good transition system. Our church was going through a time of struggle and we needed help. The TIPS pastor came in and helped stabilize our situation and guided us through the process. We are healthy again and moving forward with good success.”

**- Layperson  
Drexel, North Carolina**

“Our TIP immediately fit into the community. He engaged and supported the local community. The interim was amiable and engaged with our church family. He expressed his love for us and demonstrated a desire for us to succeed. We benefited from his long ministry experience. His leadership with the council and transition team has been so helpful!”

**- Layperson  
Reedsport, Oregon**

“I would recommend TIPS to any church. The whole process has been excellent. I was on the board when we started the process, and TIPS made our transition time so easy. Great job! We were blessed beyond measure.”

**- Board Member  
Bethel Church Indiana**

### **From a Regional Pastor:**

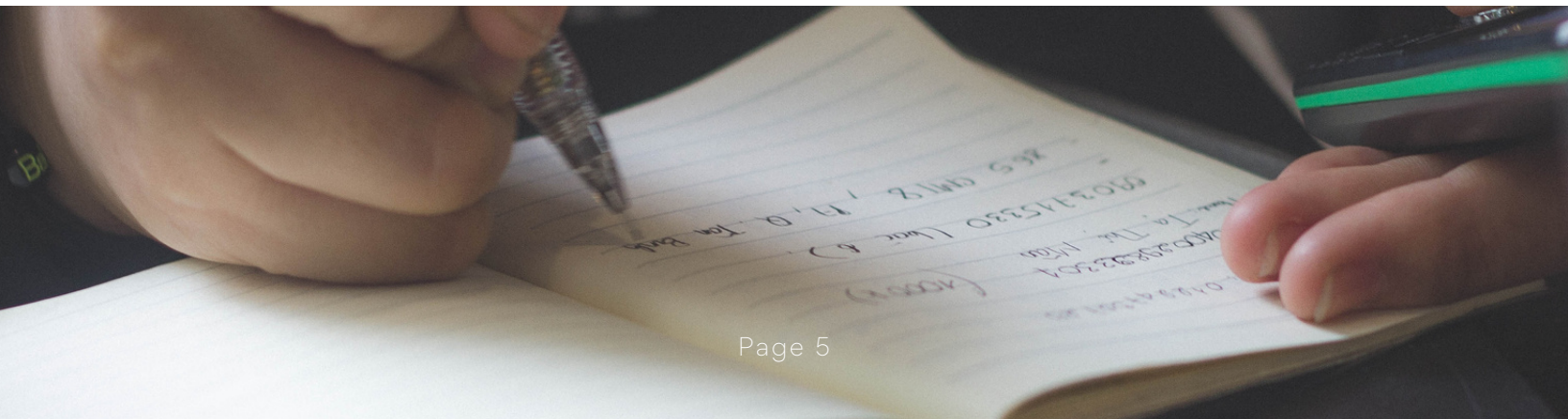
“I’ve got nothing but positive things to say about it. It’s helped the church prepare for the transition, heal, move forward, and work together to be ready for a new pastor.”

**- Rev. Mike Claypool  
Carolina Ministries**

“I have nothing but commendation for our interim as a seasoned pastor and churchman. I believe Pathway Church has benefited significantly due to his experiential wisdom, counsel, shepherding, etc. I have only heard favorable comments pertaining to his weekly Sunday sermons. I personally appreciated his friendship lightheartedness (humor), advice, and clear suggestions and directions for the health and betterment of the church body.”

**- Church Leader  
Vero Beach, FL**

“...the TIPS pastor came in and helped stabilize our situation and guided us through the process.”



# INVESTMENT & SELECTION

## YOUR INVESTMENT

Our commitment to the church is that having a full-time interim will cost no more than the church is currently paying its lead pastor in the total package. We work very hard to make sure finances are never a reason not to have an intentional interim.

## T.I.P.S. PASTOR SELECTION

NXTstep Church Services will conduct a pre-assessment with the governing board and from that assessment, we will recommend a TIP that we think would be a good fit. We will then arrange a video call with our team, the TIP, and the governing board to ensure the recommended TIP and the church agree it is a beneficial match.

## HOW TO BEGIN

Let us know your desire to consider an intentional interim and we will arrange a time for a video conference call with your leaders to explain the TIPS ministry and how it can guide your church through the season of transition. We invite state and regional pastors to join the conversation to foster partnership and cooperation in serving your congregation.

"...Our commitment to the church is that having a full-time interim will cost no more than the church is currently paying its lead pastor in the total package."





# Your NEXTStep

## CONTACT US TODAY...

to explore how we can guide your church from anxiety to anticipation through your pastoral transition.

 [yourncs.org](http://yourncs.org)


 [office@yourncs.org](mailto:office@yourncs.org)



Contact The Church of God  
T.I.P.S. Coordinator

**Pastor Bob Moss:**

 [bmoss@yourncs.org](mailto:bmoss@yourncs.org)

 765-621-4282





T.I.P.S.



ENDORSED BY:

**CHURCH OF GOD**  
MINISTRIES

and in cooperation with state and regional assemblies.

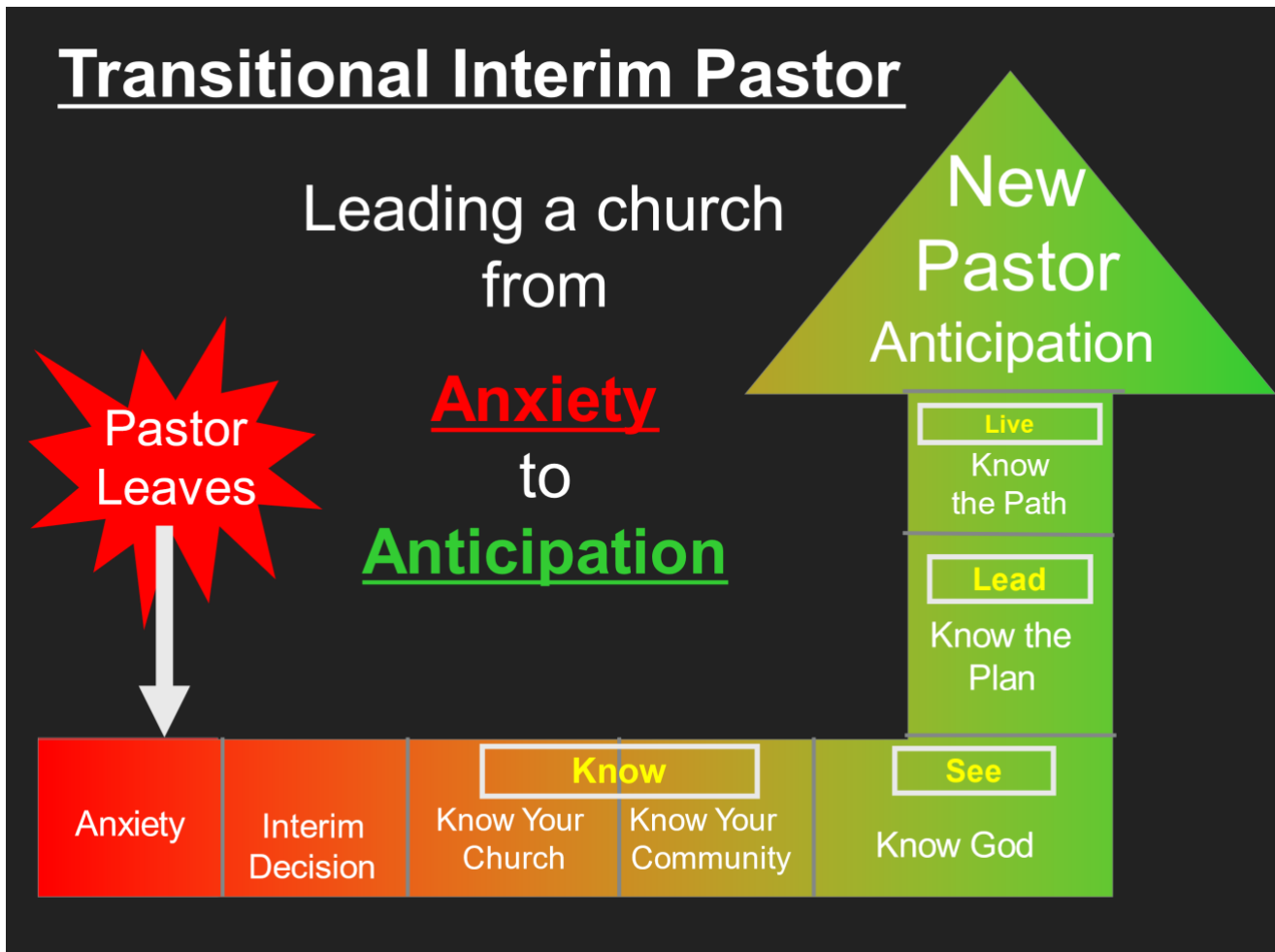
[jesusisthesubject.org/TIPS](http://jesusisthesubject.org/TIPS)



## Transitional Interim Pastor Services

**1 Peter 5:7:** “Cast all your **anxiety** on Him, because He cares for you.”

**Psalm 5:3:** “Morning by morning, O Lord you hear my voice...I lay my requests before you and wait in **anticipation**.”



Lonnie Bullock, Executive Director, NCS  
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## NCS

# TRANSITIONAL INTERIM PASTOR Services

“Leading a church from anxiety to anticipation”

### Anxiety

1. Grieving
2. Uncertainty about the future
3. Power plays
4. Past Experiences (can be both good and bad)

### Interim Plan Developed

1. Intentional about future planning during the Interim
2. Build a process that helps people move from anxiety to anticipation

### Assessment – Know Your Church

1. Who are we?
  - a. Review the history
  - b. Transitional Interim Church Assessment
2. Where do we need to go?
  - a. Becoming a Healthy Church

### Assessment – Know Your Community

1. Collecting demographic information
  - a. Precept report included in assessment
  - b. From your Ministry Impact Area
2. Community needs assessment
  - a. How to develop & use it
3. Developing a Community Profile
  - a. Demographics
  - b. Spiritual Atmosphere
  - c. Need Determination



## **Renewal – Know God**

1. Prayer strategy
2. Passion for the lost must be developed – praying for lost people by name
3. Loving the church & church loyalty
4. Building agenda harmony
5. Preparing the church for change

## **Planning – Know the Plan**

1. Working with a Transition Team
  - a. Choosing the Transition Team
  - b. Purpose of the Transition Team
  - c. Agenda – key questions to address
2. Addressing the Needs revealed in the Church Assessment
  - a. Review components of the church assessment
  - b. Establish the agenda for the church during the transition
3. Lay Ministry Involvement
  - a. Spiritual Gifts
  - b. Focus on Developing Effective Teams

## **Implementation – Know the Path**

1. Development of the Transition Action Plan
2. Agenda Harmony
3. Preparing the church for change
4. Building effective teams
5. Communication and Celebration
6. Develop a Notebook for the Incoming Pastor
7. Nuts and Bolts

**A New Future with your New Pastor – Anticipation!**

## DESIRED OUTCOMES FOR THE POST INTERIM (TIP) CHURCH

(What will an NCS Transitional Interim Church will look like when the new Pastor arrives)

- Unity
- Resolution of conflict
- Agenda Harmony
- Spiritual & Relational vitality
- A healthier church
- Greater Lay Involvement
- Greater respect, commitment, & love for the church
- Improved facilities & grounds/ready for company
- A new heart to reach lost people
- Understanding of the need for change
- Understand the need for, and the components of, spiritual strategic planning & a Church Action Plan
- Understand the need for right core values, and a driving mission statement
- Optimistic/Excited about the future
- Ready for full ReFocusing, led by the new pastor

## **13 BENEFITS OF USING AN NCS TRANSITIONAL INTERIM PASTOR**

1. Teaches the church to celebrate the interim time as an opportunity to grow and listen for God's voice
2. Builds board and congregational morale during the interim & defuses the anxiety that is VERY normal in every interim situation
3. Saves large amounts of time for the Church & the Conference Minister
4. Provides high quality coaching/consulting for the local church
5. Gives access to NCS Nationally Qualified Transitional Interim Pastor's Training
6. Provides multiple levels to choose from in the Transitional Interim Pastors process (full or part time)
7. Provides access to the NCS learning for Transitional Pastors
8. Provides an overview of the health of the church in transition
9. Helps build spiritual & relational vitality
10. Prepares the church for understanding & implementing a ReFocus
11. Helps prepare the congregation to welcome its new pastor
12. Denominational / Conference ties are strengthened
13. Preaching & Teaching that prepares the church for a successful future

## **5 BENEFITS TO THE INCOMING PASTOR**

1. Full church assessment completed for congregational self-awareness
2. Community profile completed
3. NCS Incoming Pastors Notebook completed by the Transition Team
4. New Pastor is able to build on the momentum of the transition
5. The building of a pastoral profile based on the current reality of the church helps ensure the new pastor and church are a good match.



## NCS & Any Church

**To:** Any Church **Date:** Any Date

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**From:** Lonnie Bullock, Executive Director **Amount:** TBD  
NCS

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**Re:** Transitional Interim Pastor  
Agreement

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### **COVENANT OF RELATIONSHIP BETWEEN THE CHURCH AND TRANSITIONAL INTERIM PASTOR**

We, the Any Church, enter a Covenant of Ministry Relationship with New Church Specialties to provide a Transitional Interim Pastor (TIPS) to help lead the church from anxiety to anticipation.

## **TRANSITIONAL INTERIM PASTOR AGREEMENT**

**GOAL**

Under the guidance of the Holy Spirit, and with the full cooperation and participation of the church, it is our goal to guide the church through a process of self-assessment and development that will lead the church from **“Anxiety to Anticipation”**, producing trust, unity, optimism, excitement, hope, and readiness for a “new day” under the leadership of a new pastor.

**WHAT THE CONGREGATION CAN EXPECT FROM THE TRANSITIONAL INTERIM PASTORS:**

- A loving, caring pastor who will work with the Transition Team, and congregation, to provide strong pastoral care
- In concert with the Transition Team, provide direction for assessment, healing, needed change, church health, and preparation for the coming of a new senior pastor
- Strong Biblical preaching
- Conduct monthly meetings with the Governing Board & Transitional Team
- Consult with church leaders and committees to provide advice on church ministries and operations.
- To be passionate about reaching lost people.
- To support the testimony of the church by living above reproach and promoting the church positively in the community.
- To provide instruction that equips people for effective ministry
- To make prayer, & the Word, the foundation of everything, and to lead the church in spiritual renewal
- To communicate well with the congregation regarding the progress/activities of the Transition Team

**WHAT THE TRANSITIONAL INTERIM PASTORS CAN EXPECT FROM THE CONGREGATION**

- To support the church and Transitional pastor with prayer, giving and faithful participation in church ministries
- To support the Transition Team process/initiatives in preparing for the future
- To provide love, support, encouragement, and pastoral care to one another.
- To protect the unity of the church by acting in love, refusing to gossip, quickly resolving conflict according to Scripture, and seeking God’s heart on all things.

**SPECIAL PROVISIONS** – None

## WORK SCHEDULE

- Because pastoral ministry cannot be measured in definitive time schedules, the TIP will schedule his time to best serve the interests of the ministry needs of the church.
- The TIP will establish a schedule of regular office hours and make them known to church members.
- It is agreed that the TIP will work full time with regular days off.

## COMPENSATION (Salary, Housing, Benefits, Expenses, & NCS fees)

Any Church agrees to, and understands the following information about this TIPS agreement:

- a. To send to New Church Specialties Arizona office, (Address: New Church Specialties, Att. Jana Starner 1332 E. Elgin Place; Chandler, AZ 85225 a check in the amount of **TBD** with this agreement. This check and signed agreement is due by enter date.
- b. To send or electronically pay **\$TBD per month** for 9 additional months
- c. The additional payments will be **due by the 30th day of the month**, beginning enter date. If the payment check is received after the 30<sup>th</sup> of the month, a 5% late fee will be assessed.
- d. As a Transitional Interim Pastor (TIP) working as an independent contractor for New Church Specialties, all compensation to the TIPS pastor will be paid directly by NCS. The TIP is responsible for his own health insurance and other benefits. The church has no financial responsibilities except as expressly provided for in this agreement.
- e. In addition to the monthly amount paid to NCS, the church will provide a **furnished housing for the TIP**, including all utilities, basic cable and high-speed internet. The church will work with NCS and the TIPS pastor to determine furniture needs.
- f. **NCS will provide:**
  1. A full church assessment to be delivered by NCS which includes a Church Health survey, Life Cycle Evaluation, Core Values Audit, Governing Board Audit, lay oral & written interviews, Statistical Analysis, Leadership Profile, Precept Community Profile, and a Profile of the strengths needed in the next pastor. Assessment report will be delivered 4-6 weeks after the assessment weekend.

2. Coaching and resourcing of the TIP pastor and church leadership.
  3. All payments (except for reimbursed expenses) to the TIP pastor.
  4. A follow up visit by a member of the Management Team after the new pastor arrives to meet with the new pastor and Governing Board to review the end of the agreement church health assessment as well as the recommendations from the full church assessment.
- g. **Ministry expenses will be paid directly to the TIPS pastor**, in accordance with IRS regulations and the church budget. The church will reimburse reasonable ministry-related business expenses in keeping with the church's policies, past practices and budget (e.g. auto, conference, professional)
  - h. The TIP will account for each allowable professional expense in writing every 30 days. Documentation will include the amount, date, place, business purpose, mileage, and ministry relationship of each expense. Receipts will accompany documentation.
  - i. The church will reimburse the TIP for reasonable moving expenses from his home to the church and back to his home at the end of the agreement. These moving expenses are minimal since the church provides furnished housing and the TIP will be driving his/her car.
  - j. The church will reimburse NCS for travel expenses related to the assessment, the follow up assessment visit to present the report and the coaching visit after the new pastor arrives.

### **NON-CANDIDACY**

It is understood by the Transitional Interim Pastor and the Church that the TIP will not be a candidate for call as permanent pastor.

### **CHANGES TO COVENANT:**

This Covenant may be amended upon mutual agreement of the Church, the Transitional Interim Pastor and NCS.

**CONFIDENTIALITY, AND 'NEED TO KNOW':** All parties in this agreement pledge to use their best efforts to keep the amount of compensation payable to New Church Specialties confidential and to limit distribution or access to this agreement to only those persons on a "need to know" for the purpose of executing this covenant. Except as stated in this paragraph, the parties acknowledge that church administration may disclose information about the TIP agreement with church members.

**TERMINATION:**

This Covenant may be terminated at any time with a 60-day notice given in writing by the Church, NCS or the TIP. If the agreement is terminated within the first 4 months there will be a \$5,000.00 cancellation fee to cover NCS assessment and expenses.

**TERM OF COVENANT:**

This Covenant is effective TBD. The Covenant may be extended in 60-day increments by agreement of the church, NCS, and the TIP pastor. By agreement, these dates may be adjusted as needed.

**AGREEMENT**

Because of timing and scheduling the assessment, all that is needed is an e-mail confirmation from the church and to begin the agreement and process. The signed agreement can be returned with the first payment.

**Church Name: Any Church**

**Church Representative:**

**Signed:** \_\_\_\_\_ **Date** \_\_\_\_\_

**New Church Specialties:** Lonnie Bullock, Executive Director

**Signed:** \_\_\_\_\_ **Date:**



## NCS

# The Transitional Interim Church Assessment

The NCS Transitional Interim Church Assessment is designed to give a clear picture of the local church's current reality to help determine how to best move into God's desired future. The assessment focuses on a detailed church health analysis, a life cycle evaluation, core value audit, governing board audit, 10-year statistical analysis, leadership profile and two days of interviews and observing community, people and the church. The NCS Senior Consultant will provide a detailed report (usually 40-50 pages) of the church's current reality.

### Assessment & Report Areas

1. **Church Health** – A detailed analysis of the health of the local church using the Natural Church Development Church Health tool. Thirty people are chosen to fill out a survey and the results of the survey are computer scored and a numerical score is assigned to each of the eight characteristics. The eight areas scored include: Leadership, Ministry, Small Groups, Evangelism, Spirituality, Structures, Relationships and Worship
2. **Life Cycle Evaluation** – NCS has developed a tool to help determine the location of the local church on the life cycle. Forty people are chosen to fill out a Life Cycle evaluation
3. **Core Value Audit** – Time is spent with the Church Board and leadership to determine Core Values of the Church.
4. **Governing Board Audit** – A governing board audit is used to help determine the effectiveness of the church board.
5. **Statistical Analysis** – A 10-year statistical analysis is done looking at Worship Attendance, Giving, Small Group involvement and Membership.
6. **Leadership Profile** – A profile of leadership style; spiritual gifts mix; personality mix and temperament is prepared of all church board members and Ministry Leaders.
7. **Two Day On-Site Visit** – This two day on site visit includes two, 2 hour meetings with the Church Board; Twenty minute Interviews over a 5 hour period with members of the congregation; Facility Evaluation; Attending Sunday AM services to observe worship and informal conversations with those who attend the church. Time is also observing the community.
8. **Community Profile** – A summary of the demographics of the community is included in the report to help a church better understand the people living around the church.
9. **A "Grassroots" Pastoral Profile** -- A profile of the strengths needed in the next pastor are identified and built in our NCS TIP Pastoral Profile.

## INTERIM PASTOR AGREEMENT

The following agreement between the appropriate board or committee of \_\_\_\_\_ (church) and the Reverend \_\_\_\_\_ is for the purpose of providing interim pastoral services.

1. The Reverend \_\_\_\_\_ will be designated interim pastor of \_\_\_\_\_ (church).
2. The Reverend \_\_\_\_\_ will be responsible for providing interim pastoral leadership which would include the following duties: (Please check if this task is expected of Interim Pastor.)
  - \_\_\_\_\_ Filling the pulpit for regular Sunday services.
  - \_\_\_\_\_ Work with appropriate board or committee to provide for a leader of worship and ministry on Sundays not present.
  - \_\_\_\_\_ Do pastoral calling on sick and shut-ins as time permits and in time of crisis.
  - \_\_\_\_\_ Officiate at weddings and funerals as requested
  - \_\_\_\_\_ Be responsible for the conduct of all regularly scheduled week-day services.
  - \_\_\_\_\_ Work with boards and committees to assist them in carrying out their assigned tasks.
  - \_\_\_\_\_ Perform other administrative duties as requested: i.e., work with church secretary in preparing bulletins, newsletters, etc., general oversight of church facilities and represent the church in dealing with outside organizations
  - \_\_\_\_\_ Other functions: \_\_\_\_\_
3. The Reverend \_\_\_\_\_ will be compensated for interim pastoral services as follows:
 

Base Salary . . . . .	\$ _____	
Travel Allowance . . . . .	\$ _____	
Housing . . . . .	\$ _____	Including Utilities \$ _____
Reimbursed expenses . . . . .	\$ _____	
Benefits . . . . .	\$ _____	
4. The interim pastor will function in the capacity of a full-time pastor with regard to the worship services and church administration.
5. The interim pastor will be issued keys to the church building so that ready access to the church is available. The interim pastor will not be considered responsible for the weekly security of up-keep of them.
6. Goals for the interim ministry shall be: (These are examples only.)
  - a. Maintenance of a healthy congregational life.
  - b. Continuity of leadership.
  - c. Consistent pastoral care.
  - d. Development of short-range goals identified in the goal setting process of the church.
  - e. Preparation of the congregation for the arrival of a new pastor.
7. The appropriate board or committee agrees to provide a performance review within one month after the termination of the agreement.
8. This agreement is for a period of \_\_\_\_\_ from the date below with the Reverend devoting \_\_\_\_\_ to \_\_\_\_\_ hours per week. This agreement may be terminated at any pastor.
9. It is understood that the Reverend \_\_\_\_\_ will not be a candidate for the pastoral office of \_\_\_\_\_ (church).  
 Exception - if it is the will of the congregation to use this interim period as a getting acquainted period with the possibility of extending a call to the interim pastor, this should be a mutual agreement.

Agreed to and accepted by:

\_\_\_\_\_

Chair, Board or Committee

\_\_\_\_\_

Interim Pastor

\_\_\_\_\_

Counseling Minister/State Pastor

\_\_\_\_\_

Effective Date:

## **ASSESSMENT: RESOURCES FOR CONGREGATIONAL EVALUATION** **by Robert Moss**

It is wise for the pastoral search committee to work in cooperation with other congregational leaders (in compliance with the church's constitution and bylaws) to evaluate the health of the congregation and to assess its readiness to follow the leadership of a new pastor. It is dangerous to sidestep the process of a congregational self-study because the conversations with a pastoral candidate may be based more on opinion than on documented research. Far too many pastors and congregations have experienced disappointment in the eventual realization that the relationship between the congregation and new pastor was based more on assumptions than on information and expectations gathered in a systematic manner.

In most cases, congregational leaders are not prepared to ask the most insightful questions to make these assessments. Happily state and district leaders often have access to tools to help the leaders of the congregation in making assessments. These self-studies can provide invaluable help in identifying the key strengths of the congregation. They gather information to prepare for transitions in leadership, to create a climate in which congregational members feel appropriately included in the search process, and to reach conclusions about the general health of the congregation as it approaches the future.

Another helpful resource is the TAG Corporation, which serves as a consulting firm aimed at helping both businesses and churches. The organization's Web site [www.877tagline.com](http://www.877tagline.com) states: "We see a shift away from the mechanistic view of organizations toward a view that sees organizations as living human systems. This has an incredible impact on the way that we do business."

For a reasonable fee, this organization will help a local church with a congregational survey tool. This tool was developed by TAG, dozens of church leaders, and a leading professor from the McDonough School of Business (Georgetown University). The online capabilities provide for easy access to your congregation's perceptions around twelve critical factors—factors that will allow your church to fulfill its mission and experience healthy growth.

With typically ten questions per scale, your church will be benchmarked against national norms on:

- **Church Code**—Do your members know and support your church’s vision, values, and mission?
- **Equipping the Members**—Do your members feel that the church meets their practical needs and leads them toward spiritual maturity?
- **Communication**—Do your members receive information in a helpful way? Does your church communicate its message to the surrounding community effectively? Do people communicate with each other in healthy ways?
- **Boundaries**—Are roles and expectations clear for lay people and staff? Are pastors supported in having a life outside of work?
- **Outreach and Evangelism**—Does your church effectively reach out to your local community?
- **Leadership and Assimilation**—Does your church’s leadership effectively set the vision for the church? Are lay people effectively assimilated into real leadership positions?
- **Member Satisfaction**—Are your members satisfied with your youth program? Worship services? Facilities? Other ministries?
- **Church as Community**—Do your members connect with small groups within the church? Do they feel like the church is a healthy community?
- **Trust in Finances**—Do members have a sense of trust in the way finances are handled?
- **Trust in Direction**—Do members trust and support the current direction of the church?
- **Managing Change**—Do members feel that the church keeps up with the changing needs of your community? Is change managed in a proactive and healthy manner?
- **Church Involvement**—Are members involved in giving of their time and talents at the church?
- **Church Type**—How do members perceive the style of your church?

**Survey Monkey**  
**Congregational Survey**

**1. Do you consider yourself a member of this congregation? (Member meaning that you have received Jesus Christ as your Savior, attend here regularly, and you are involved in some form of ministry.)**

- Yes
- No

**2. I am very committed to the mission and ministry of Jesus Christ.**

- True
- Somewhat True
- False

**3. I am committed to supporting Christ's ministry through this church**

- True
- Somewhat true
- False

**4. My attitude about the future of this church is**

- Optimistic
- Pessimistic
- Doubtful
- Unsure

**5. Gender?**

- Male
- Female

**6. Please indicate your age range.**

- 13-19
- 20-29
- 30-39
- 40-49

- 50-59
- 60-69
- 70 or older

**7. Please indicate the term that best describes your occupation**

- Student
- Homemaker
- Professional
- Trades
- Sales
- Agriculture
- Business
- Retired

**8. I believe our congregation exists primarily to (choose 2)**

- Provide fellowship and nurture for believers
- Win the unconverted to Christ
- Proclaim the message of unity and holiness for all believers
- Work for social justice

**9. How long have you attended the Church?**

- One year or less
- 2-4 years
- 5-9 years
- 10-19 years
- 20 or more years

**10. On average how many times did you attend this church during this past year?**

- Twice a year
- Once or twice every three months
- Once a month
- Two or three times a month

- Four times a month or more

**11. Has your involvement in the Church increased, decreased, or stayed the same over the past few years?**

- Increased
- Decreased
- Stayed the same

**12. How many of your closest friends attend this church?**

- None
- One
- Two
- Three
- Four or more

**13. Below is a list of local church activities. Please respond to each item by indicating how much emphasis it should be given.**

	Needs more emphasis	Very Satisfied	Generally Satisfied	Receives too much emphasis
Worship that provided a meaningful experience with God	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Worship that is contemporary and appealing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ministries to Children and Youth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help members deepen their relationship with Jesus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sharing the "good news" with the un-churched	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outreach in to the community to the needy and hurting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide ministry to the sick, shut-in, and elderly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide Pastoral Counseling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide Fellowship opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help members understand the blessing and	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



	Needs more emphasis	Very Satisfied	Generally Satisfied	Receives too much emphasis
responsibility of stewardship				
Support global missions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help members discover their spiritual gifts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Express and Teach our Movements heritage and tradition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**14. Check FOUR Professional Skills your next Pastor should possess**

- Preaching
- Equipping people to do ministry
- Pastoral Care
- Counseling
- Evangelism
- Conflict Resolution
- Develop Small Groups
- Train Leadership
- Community Involvement
- Casting Vision
- Teaching

**15. Check False, Somewhat True, or True as each statement describes your congregation**

	False	Somewhat True	True
Our church is peaceful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our Church is safe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church regularly sees new people won to Christ	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church is friendly to guests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church is well known for our work in the community	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church is generous	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	False	Somewhat True	True
Our church shows grace to others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church is involved in mission work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church is concerned for the poor, weak, and disenfranchised	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our church is a place where people grow spiritually	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**16. Rate the importance of each of the skills for your next pastor**

**Very Important**

**Somewhat Important**

**Not Important at all**

	Very Important	Somewhat Important	Not Important at all
<b>Preaching</b> (Preparing & Preaching clear biblical messages to help people grow in their knowledge of God)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Teaching</b> (Creatively presents Material in such a way that people learn)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Evangelism</b> (Practices personally, as well as teaches congregation how to effectively communicate the Gospel to the others.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Pastoral Care</b> (Exhibits a "shepherd's heart", loving and caring for the needs of the congregation and community.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Visitation</b> (Visiting in the homes of Church Members, Calling in the Hospital, Visiting in the Nursing Home.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Equipping</b> (Encouraging, Training, and Mobilizing people to discover and use their Spiritual Gifts for ministry.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Leadership Development</b> (Recognizing and developing leadership potential in others)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Counseling</b> (providing personal help or directing people to trained people for specialized spiritual, psychological, and or social needs.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Administration</b> (Managing the Churches day to day operations as well as human and financial resources.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Vision Casting</b> (Communicating a picture of what the congregation can achieve and then setting goals to accomplish it.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Very Important	Somewhat Important	Not Important at all
<b>Planning</b> (Establishing strategies and action plans to accomplish agreed upon goals.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Motivating</b> (Inspires people to do more than they dream and believe that they will do great things for God.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Evaluating</b> (Engages in the process of determining what works or does not work, what is needed or not needed, what is primary and what is secondary.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Conflict Management</b> (Able to manage or resolve differences of opinions, hurt feelings, and opposition)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**17. The Pastor of our Church is: (Check one)**

- Called by God to lead the church
- Called by the church to be an employee

**18. Which of the following statements for you best describes what a pastor should be? (Check only one)**

- Pastor Shepherd** (known for caring, visiting, counseling)
- Preacher/Teacher** (known for ability to communicate the Word of God clearly and interestingly)
- Worship Leader** (Primarily concerned with personal and corporate worship)
- Evangelist** (Primarily concerned for those who are lost...those outside of the life of the church)
- Equipper** (Focus is on the ministry of the laity. Pastor is coach and congregation members are the team)
- Church Manager** (The pastor is more of the CEO of the congregation managing resources and developing clear lines of authority in the church)
- Prophet** (Concerned about the societal evils and has strong emphasis on social justice and righteousness)
- Spiritual Director** (Focus on discipleship and making sure all persons are growing in their relationship with God, personally and at home)
- General Practitioner** (This person is a combination of all of the above and their role may change often to meet varying needs.)

**Thank you for taking time to fill out this survey, your input is critically important to your Search Committee. Please pray daily for your Search Committee and for the person that God is calling to be your next Pastor!**

## DIRECTIONS FOR USING CONGREGATIONAL SURVEY

To assist you in assessing the kind of pastoral leadership which your congregation needs at this point in its history, please REPRODUCE the attached Congregational Survey, DISTRIBUTE it to members of your congregation (i.e., during Sunday morning worship) with an appropriate explanation of its purpose, TALLY the responses, and INTERPRET those responses together as a committee, along with you counseling minister. (Should you prefer not to reproduce the survey, an appropriate quantity may be ordered from the Church Service office at 5 cents per copy, postage paid.)

It is suggested that you share the tallied responses with prospective pastors. It will be most beneficial in helping you and them determine whether you are suited to each other.

Since the survey results will provide helpful information to several boards in your church, wide usage is encouraged.

Tallying should be done as follows--

### Questions 1 through 4

Each line should include the number of 1, 2, and 3 responses.

For example,

21 (1), 33 (2), 19 (3) Provide fellowship and nurture for believers

In this case, 21 respondents voted this most important  
33 Respondents voted it second most important  
19 respondents voted it third most important

### Question 5

Simply tally the number of +, -, and ? Responses after each line.

### Question 6

Simply tally the number of X's after each line.

### Question 7

Tally up all the numerical responses for each line respectively and divide by the number of responses.

For example,

6.52 I feel that the leadership of this church (pastor and laity) are receptive to my desires and ideas.

In this case the total score of 73 persons responding to this statement on a scale from 1 to 10 was 476. (476 divided by 73 equals 6.52)

DIVISION OF CHURCH SERVICE

## CONGREGATIONAL SURVEY

1. I believe our congregation exists primarily to (choose 3 in the order of your priority)

\_\_\_\_\_ Provide fellowship and nurture for believers  
\_\_\_\_\_ Win the unconverted to Jesus Christ  
\_\_\_\_\_ Proclaim the message of unity and holiness for all Christians  
\_\_\_\_\_ Work for social justice and the alleviation of human need  
\_\_\_\_\_ Politically organize against immoral forces in our society

2. The gifts (abilities) which I feel are most imperative in a pastor are (choose 3 in the order of your priority) --

\_\_\_\_\_ Teach the doctrines of the church  
\_\_\_\_\_ Equip and organize the laity for service  
\_\_\_\_\_ Preach the gospel  
\_\_\_\_\_ Pastor the people in a warm and personalized manner  
\_\_\_\_\_ Be an able administrator  
\_\_\_\_\_ Counseling

3. The areas of our church which at the present time most badly need advances are (choose 3 in the order of your priority) --

_____ Finances	_____ Evangelism (Church Growth)
_____ Facilities	_____ Unity and fellowship
_____ Organization	_____ Spiritual vitality
_____ Youth Ministry	_____ Christian education

4. The thing I like best about our church is (choose 3 in the order of priority) --

\_\_\_\_\_ Friendliness  
\_\_\_\_\_ Spiritual depth  
\_\_\_\_\_ Theological teachings  
\_\_\_\_\_ Ministry to our community  
\_\_\_\_\_ Worship services (music, etc.)

5. After each of the following items place a (+) sign if you want more of your church budget to go in this area, a (-) sign if you want less of your church budget to go in this area, a (?) if you are uninformed about how much of your budget goes for this.

\_\_\_\_\_ Facilities  
\_\_\_\_\_ Salaries  
\_\_\_\_\_ World Service  
\_\_\_\_\_ State ministries  
\_\_\_\_\_ Local ministries (outside your own congregation)  
\_\_\_\_\_ Local ministries (operated by your own congregation)  
\_\_\_\_\_ Para-church ministries (nationally)  
\_\_\_\_\_ Christian Education (use space below if particular interest)

6. Place an X in the spaces below which apply to you --

A member of this church--	Age--	Family Income--
<input type="checkbox"/> 2 years or less	<input type="checkbox"/> 15 or under	<input type="checkbox"/> under \$10,000
<input type="checkbox"/> 3 to 10 years	<input type="checkbox"/> 16 to 20	<input type="checkbox"/> \$11,000 - \$15,000
<input type="checkbox"/> 10 to 20 years	<input type="checkbox"/> 21 to 30	<input type="checkbox"/> \$16,000 - \$25,000
<input type="checkbox"/> More than 20	<input type="checkbox"/> 31 to 45	<input type="checkbox"/> over \$25,000
<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> 46 to 60	<input type="checkbox"/> Married <input type="checkbox"/> Single
	<input type="checkbox"/> over 60	

7. On a scale from 1 to 10 (1 meaning very poor, 10 meaning very good), place a number on the line below that best expresses your feeling--

I feel that the leadership of this church (pastor and laity) are receptive to my desires and ideas.

I feel that the lay leadership of this church resides with those who are democratically nominated and elected, not with a handful of person who "call the shots" behind the scene.

I feel loved and included in the fellowship of this church.

I feel that I am adequately informed about the decisions made affecting the life and business of this church.

The worship services and other ministries of this church adequately minister to my needs.

# Congregational Survey

Church: \_\_\_\_\_ City: \_\_\_\_\_

Information from this survey will be used to aid the Pastoral Search Committee in the process of selecting a pastor. It will assist in the evaluation of our unique needs as a congregation as well as allow prospective pastors an insight into who we are.

We ask that each regularly attending teenager and adult complete a survey. Completed results will be posted. Individual responses are confidential. Your input is extremely important, and we thank you for your participation.

Name: \_\_\_\_\_

Search Committee Chair

## Church Affiliation Information

*Please circle your answer.*

Church affiliation:      Member      Nonmember

Length of time associated with Church:

less than 1 year      1-5 years    6-10 years      11-20 years      over 20 years

## Personal Information

*Please circle your answer.*

Please indicate your sex:      Male      Female

Please indicate your age range:

13-19      20-29      30-39      40-49      50-59      60-69      70 and over

Please indicate your occupational category:

Student      Homemaker    Professional      Trades      Sales      Agriculture  
Business      Retired      Other \_\_\_\_\_

Please indicate your ethnic background:

Caucasian      African American      Hispanic      Asian      Native American  
Other \_\_\_\_\_

Other than Sunday worship, do you participate in any ministries, programs, or activities of the church?      Yes      No

Do you participate in any outreach (i.e., evangelistic) ministries?      Yes      No

## Desired Professional Qualities of Our Next Pastor

Circle one for each topic:

1 = unimportant, 2 = important, 3 = very important

Preaching	1	2	3	Ministering to families	1	2	3
Conducting worship	1	2	3	Church administration	1	2	3
Teaching	1	2	3	Ministering to the sick	1	2	3
Pastoral Care	1	2	3	Conflict resolution	1	2	3
Counseling	1	2	3	Community involvement	1	2	3
Problem solving	1	2	3	Cooperation with the boards	1	2	3
Program development	1	2	3	Setting vision and goals	1	2	3
Evangelism leadership	1	2	3	Youth and children	1	2	3
Ministering to elderly	1	2	3	Training others for leadership	1	2	3
Ministering to youth	1	2	3	Building committees	1	2	3

## Our Expectations for the New Pastor

Rank the following list in numeric order with 1 being the most important and 8 being the least important.

Makes it a priority to visit the church members	_____
Is energetic and charismatic in worship	_____
Makes the worship service his or her main focus	_____
Works with the board in setting visionary leadership	_____
Helps us develop a strong outreach into the community	_____
Helps us develop small groups	_____
Develops strong board and committee leadership	_____
Helps us develop more programs for members and visitors	_____

## Strengths, Weaknesses, and Needs of Our Congregation

Please evaluate the relative strength of our church in these ministry areas.

Circle one for each topic: 1 = weakness, 2 = average, 3 = strength

Evangelism	1	2	3	Discipleship	1	2	3
Community outreach	1	2	3	Global mission support	1	2	3
Doctrinal teaching	1	2	3	Managing conflict	1	2	3
Ministry to children	1	2	3	Ministry to youth	1	2	3
Ministry to singles	1	2	3	Ministry to families	1	2	3
Ministry to elderly	1	2	3	Ministry to women	1	2	3
Ministry to men	1	2	3	Ministry to seniors	1	2	3
Bible studies	1	2	3	Spiritual growth	1	2	3
Fellowship	1	2	3	Caring for the poor	1	2	3
Music ministry	1	2	3	Making visitors			
Liturgy	1	2	3	feel welcome	1	2	3
Unity	1	2	3	Worship services	1	2	3
Shepherding	1	2	3	Caregiving	1	2	3
Nurturing	1	2	3	Faithfulness	1	2	3
Commitment	1	2	3	Counseling services	1	2	3
Denomination				Stewardship	1	2	3
participation	1	2	3	Supporting families	1	2	3
Adult education	1	2	3	Sunday school	1	2	3



Administration	1	2	3	Vacation Bible school	1	2	3
Openness to change	1	2	3	Being goal-orientated	1	2	3
Cooperation with other churches	1	2	3	Defining our mission and vision statements	1	2	3

**Congregational Interests**

Circle one for each sentence:  
1 = false, 2 = somewhat true, 3 = true

Our members care about each other.	1	2	3
Our members volunteer readily for church activities.	1	2	3
Our members give generous financial support to the church.	1	2	3
Our congregation supports its committees.	1	2	3
Members with broken lives find a safe haven in our church.	1	2	3
Our congregation supports the board.	1	2	3
The board encourages the use of members' talents in the worship service.	1	2	3
The board sets worthy examples for the congregation.	1	2	3
Our congregation cooperated well with our previous pastor.	1	2	3
Our next pastor can count on the wholehearted cooperation of the congregation.	1	2	3

*Please contact a member of the search committee if you have any questions regarding this questionnaire.*

## A Self-Evaluation of Our Church and Members

### Pastoral Search Committee Survey

Please *do not* sign your name to this survey, but help us by *checking* the appropriate information.

\_\_\_\_\_ Male                  \_\_\_\_\_ Female

Age:    \_\_\_\_\_ 16-20    \_\_\_\_\_ 21-35    \_\_\_\_\_ 36-49    \_\_\_\_\_ 50-61    \_\_\_\_\_ over 62

How long have you been a Christian?

\_\_\_\_\_ 5 years or less                  \_\_\_\_\_ 6-10 years                  \_\_\_\_\_ over 11 years

Evaluate as follows:

5 = Excellent;    4 = Good;    3 = Fair;    2 = Disappointing;    1 = Poor

- |     |   |   |   |   |   |   |
|-----|---|---|---|---|---|---|
| 1.  | How do you rate the church's friendliness to visitors?  | 5 | 4 | 3 | 2 | 1 |
| 2.  | How do you rate the church's evangelistic outreach?   | 5 | 4 | 3 | 2 | 1 |
| 3.  | How do you rate the church's corporate worship?   | 5 | 4 | 3 | 2 | 1 |
| 4.  | How do you rate the church's community life?  | 5 | 4 | 3 | 2 | 1 |
| 5.  | How do you rate the ministry of the elders?   | 5 | 4 | 3 | 2 | 1 |
| 6.  | How do you rate the biblical content of the sermons?  | 5 | 4 | 3 | 2 | 1 |
| 7.  | How do you rate the church's pastoral ministry?   | 5 | 4 | 3 | 2 | 1 |
| 8.  | How do you rate the church's counseling ministry?   | 5 | 4 | 3 | 2 | 1 |
| 9.  | How do you rate the church's success at mobilizing its available talent?  | 5 | 4 | 3 | 2 | 1 |
| 10. | How do you rate the appeal of this church to your friends, neighbors, and relatives if they were seeking a church a church home or faith in Christ? | 5 | 4 | 3 | 2 | 1 |
| 11. | How do you rate the response of visitors whom you have brought to the church? (Answer only if you did so.)  | 5 | 4 | 3 | 2 | 1 |
| 12. | How do you rate the small group ministry?   | 5 | 4 | 3 | 2 | 1 |
| 13. | How do you rate the men's ministry?   | 5 | 4 | 3 | 2 | 1 |
| 14. | How do you rate the women's ministry?   | 5 | 4 | 3 | 2 | 1 |
| 15. | How do you rate your Bible study (if you are in one)?   | 5 | 4 | 3 | 2 | 1 |
| 16. | How would you rate the chances of the homeless or economically disadvantaged being warmly welcomed here?  | 5 | 4 | 3 | 2 | 1 |
| 17. | How would you rate the church's mission interest and commitment?  | 5 | 4 | 3 | 2 | 1 |
| 18. | How would you rate the church's giving to the poor?   | 5 | 4 | 3 | 2 | 1 |
| 19. | How would you rate the church's youth ministry?   | 5 | 4 | 3 | 2 | 1 |
| 20. | How would you rate the Sunday school?   | 5 | 4 | 3 | 2 | 1 |
| 21. | How would you rate the participation of the congregation in being disciplined?  | 5 | 4 | 3 | 2 | 1 |
| 22. | How would you rate the appeal of your church to the community at large?   | 5 | 4 | 3 | 2 | 1 |
| 23. | How would you rate the ministry of prayer in the church?  | 5 | 4 | 3 | 2 | 1 |

24. How would you rate your faithfulness in having family or personal devotional times with the Lord?	5	4	3	2	1
25. How would you rate our own activity in sharing your faith in Christ with others?	5	4	3	2	1
26. How would you rate your own activity in building friendships with unbelievers in order to share Christ with them?	5	4	3	2	1
27. How would you rate your own faithfulness in living a consistent Christian life?	5	4	3	2	1
28. How would you rate your own faithfulness in giving at least 10 percent of your income to fund God's work?	5	4	3	2	1
29. How would you rate your own assurance of salvation?	5	4	3	2	1
30. What personal comments or concerns do you have for the pastoral search committee?	5	4	3	2	1

*In your opinion, the three areas of our church that need the most attention right now are:  
(Do not list senior pastor. Prioritize by 1, 2, 3; 1 = high.)*

- \_\_\_\_\_ Individual spiritual growth
- \_\_\_\_\_ Serving one another
- \_\_\_\_\_ Outreach/witnessing/evangelism
- \_\_\_\_\_ Prayer
- \_\_\_\_\_ Church unity/more love & fellowship
- \_\_\_\_\_ Discipleship
- \_\_\_\_\_ Personal ministry involvement
- \_\_\_\_\_ Vision for the future
- \_\_\_\_\_ Better communication from leaders
- \_\_\_\_\_ Revival/renewal
- \_\_\_\_\_ Spiritual leadership
- \_\_\_\_\_ Stewardship/tithing/giving
- \_\_\_\_\_ Other (please explain) \_\_\_\_\_

*The spiritual needs in your life not being met by our church are:*

*How do you feel about the Sunday morning worship service?*

- |  |  |
|--|--|
| <p><i>Style</i></p> <p>_____ It should be more formal</p> <p>_____ It should be less formal</p> <p>_____ It is about right</p> <p>_____ It should be more traditional</p> <p>_____ It should be less traditional</p> | <p><i>Music</i></p> <p>_____ It should be more traditional (hymns)</p> <p>_____ It should be more contemporary (choruses)</p> <p>_____ It is about right</p> |
|--|--|

Our comments regarding our worship services: \_\_\_\_\_

---

"In order to reach the unchurched in our community and meet their needs, I would be willing to support major changes in the church as long as we held to God's truth."

*What are your responses to this statement?*

Thank you for your consistent prayers and support. Please note any prayer requests you have:

Some descriptions of Worship Styles:

### **Fundamental**

Probably better described as traditional. Usually does not use choruses in worship written after 1985. Songs are sung from the Hymnal. Overheads or Power Point presentations are not used in the Worship Service. Worship usually consists of Hymns, a choral number, a song sung by an individual or group (often called a special), a time of prayer with requests given from the congregation, an offering, a sermon, and a hymn of invitation. Typically, the piano and/or organ are the instrument of choice. Often a song leader leads the singing. In this service everything points toward the sermon.

### **Contemporary**

In this service power point or a similar program is employed to project choruses, hymns, announcements, scripture, and sermon notes. Often but not always there is no order of service in the hands of the parishioner. Choirs are used infrequently if at all. Worship is lead by a team, and numerous instruments (guitars, drums, bass, congas, even whole orchestras) may be used to accompany worship. Offerings may be taken traditionally or left on the altar, or put in a box at the rear of the sanctuary. Worship might consist of some combination of a medley of choruses, drama, prayer, sermon, children's message, video, and some form of response for the attendee.

### **Ultra-Contemporary**

Very Relational. No order of worship. Worship will include very contemporary music with a variety of instruments. Preaching or teaching is done by more than one speaker, speaking for short time to make one point.

Interactive: congregation responds back. Drama, video, music video, secular music can be a part of such a service. There is little emphasis on giving. Hymns probably never sung.

## Developing the Job Description of next Pastor

### A. **What do you Need your next pastor to do?**

1. Tether out and clarify – what are the non-negotiable tasks and secondary tasks
2. Define what you do not want your pastor to do
3. Think through – what title do you want to give that reflects what you want most from this next pastor, leader....
- 4.

### B. **Character Qualities and Core Values:**

1. What matters most to the candidate?
2. What are the top core values you need in the next pastor – we do what we value, test it until you have certainty
3. Determine what character qualities are non-negotiable, have a thick screen and test it – in that past behavior reveals character
4. Determine how you will get at the character issue and core values, in your interviews, ask the candidate to provide a list that is prioritized, test them in your interviews, in interviewing references, seeking impartial voices who know the candidate well and will provide honest feedback to very specific questions, so design the questions you want to ask to get at this...)
- 5.

### C. **Level of Experience**

1. Has the candidate grown congregations, by what standards?? Determine the standards looking for:
2. Has track record of growing leaders – tether it out and don't stop till are certain of results
3. Has the candidate been where \_\_\_\_\_ needs to go? Based on that experience, how approach the ministry in the first year, then year two...
4. What are your requirements, minimum standards, deal breakers... ?
- 5.

### D. **Spiritual Gifts**

1. Discern Teaching gift or Prophetic gift as primary preaching style
2. Leadership gift or Administration gift – how have they led, what are clear tangible results that demonstrate giftedness?
3. Evangelism gift or Apostleship gift needs to be high to continue DNA
4. Support but not primary gifts to look for: Encouragement, Giving, Creative Communication, Intercession, Hospitality
5. Primary gifts to avoid: Shepherding, Mercy, Helps, Craftsmanship (tend to be Doers vs. Equippers)
6. Discern charismatic gifts: Faith, Discernment, Healing, Wisdom

7. Determine how you are going to test this out: (what means and assessment tools will you employ, have candidate put it in writing, interviews of candidates, test it in interviews of references and those who know the candidate and will give you an honest assessment...)
- 8.

## **E. Skill Base**

1. Vision Caster – how has he/she rallied the church and moved it forward in mission, what were the results?
2. Kingdom eyes vs. Church based focus (External vs. Internal perspective about the fundamental role of the church and approach to ministry)
3. Preacher/Teacher effectiveness – must be high level of competence, is used to preaching 45+ sermons a year, past parishioners must rank this person as highly competent speaker
4. Equipping and empowering Leader (look at results – either leaders lead and you know it or they don't and you know that. Don't sidestep this one!)
5. Approach to ministry - People developer – nurture, grow, coach people vs. Program developer – design and manage programs
6. Team player – how has he/she built teams and how they function on a team
7. Leadership of Staff – discern what he/she has done to build and lead staff; To get at this – perhaps one question to ask is: If we were to interview your staff, what would they say about you? Without interviewing the staff directly, ask references and to describe staff relationships and effectiveness/competencies of the candidate in reference to his/her staff leadership
8. Submission to authority, discern level of accountability and transparency – past behavior is the best predictor of future behavior
9. Level of organizational and administrative skills – how prioritized time, schedule... incl. (eg. use of Outlook or Phone...)
10. Proven ability as an Evangelist – must have someone who has led people to Christ – you can't teach or pass on what you haven't done – should be a deal breaker (look at adult baptisms and confessions / professions of faith)
11. Scorecard – what does he/she count = what they value
12. What level of competency with technology, computer programs, phone... do you want?
13. Look into work ethic and habits, incl. – ability to maintain boundaries and self care, again past behavior is best predictor of future behavior
14. How does he/she approach pastoral / congregational care – as a shepherd or rancher? Evaluate if he/she has done this alone or has he/she demonstrate a pattern of taking others with him/her and giving this ministry to elders and others who are more gifted to provide care
- 15.

## **F. Other:**

1. Must have a clear sense of call to your town or community – don't over sell, be honest and realistic
2. How he/she him/herself living in the community
3. Will you consider an Associate; esp. one who has not preached much?
4. Age??, Are you open to a seminarian or person in his/her 50's?

5. Gender
6. You want the pastor to be the face of your target audience – or pretty close (how wide will you cast your net?)
- 7.

**G. Coaching Tips:**

1. Do behavior based interviews, ask for examples, keep digging, what did he/she do, then what did he she do, what steps did he/she take, what lessons learned, share another example of how changed self or church or moved ministry forward, what were the results... dig, dig, dig
2. Look at results and keep looking until you have clarity of results in various areas that matter most
3. Be choosy and stay clear about what you are looking for
4. Maintain strict confidentiality, but regularly report to Elder board and congregation of steps being taken...
- 5.



As you are aware, our congregation is in the beginning stages of a congregational preparation process for the future that God is preparing us for. Below is a Congregational Self Study. This survey is one of a number of tools that we are conducting in order to gain clarity of the needs and opportunities in our community as well as to evaluate the strengths, effectiveness, and growth areas of our congregations ministry.

The data gathered from this Self Study is vital for our capacity to move forward with clarity and confidence. The study will take you about 5 to 10 minutes to complete. By completing this survey, you will contribute greatly to our congregation's future ministry.

### **Congregational Self Study**

**A. What brought you to the \_\_\_\_\_ Church of God?**

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**B. 1. What keeps you here? What is most important to you about \_\_\_\_\_ Church of God?**

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**2. In your opinion, list the top 3 ways How God is working in and is blessing \_\_\_\_\_ Church of God; i.e. List the 3 greatest things that you see God doing at and through \_\_\_\_\_ Church of God:**

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**3. In your opinion, list the top 3 strengths (unique competencies, assets, and resources) of \_\_\_\_\_ CHURCH OF GOD: How has \_\_\_\_\_ CHURCH OF GOD been most effective in carrying out its mission and vision?**

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**C. 1. If you could change one thing about \_\_\_\_\_ CHURCH OF GOD at a drop of a hat – it would be...**

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**2. In your opinion, the top 3 greatest challenges, (limitations, vulnerabilities, weaknesses, growth edges, obstacles, or threats) facing \_\_\_\_\_ CHURCH OF GOD are:**

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**D. 1. What do you think might be the greatest opportunities and possibilities that God may be preparing \_\_\_\_\_ CHURCH OF GOD for? i.e. What is your greatest hope and dream for \_\_\_\_\_ CHURCH OF GOD that you think God might be calling \_\_\_\_\_ CHURCH OF GOD to in the next 5 to 7 years?**

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**2. What kind of impact could \_\_\_\_\_ CHURCH OF GOD have (locally & globally) if God were to bless \_\_\_\_\_ CHURCH OF GOD with the desires of its heart?**

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**3. What would be the rewards if that dream was realized? How would that impact you, your family, the people of \_\_\_\_\_ CHURCH OF GOD, and your community?**

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## **ISSUES A SEARCH COMMITTEE MAY FACE**

**by Robert Moss**

### **Divorce / Remarriage in the Life of a Pastoral Candidate**

While the breakdown of a candidate's previous marriage relationship is not to be treated as the unforgivable sin, it does cause a serious concern for the search committee. The local church is made up of relationships and the failure of a leader's marriage relationship may be the harbinger of other relational problems that could follow him or her into the pastorate.

A candidate may simply offer that the divorce is a "past issue" under the grace of God's forgiveness. No one should dispute God's amazing grace and forgiveness. We gladly acknowledge this grace. Yet no one on a search committee should casually accept such an answer without a more complete explanation. Careful conversations, therefore, should be pursued with a pastoral candidate who has marital divorce in his or her background. The conversations should determine the candidate's response to questions like these: What caused the divorce? Who sought the divorce? What avenues of reconciliation were explored? What is the candidate's view of divorce for Christians and non-Christians?

Since the breakdown of a marriage is such a serious concern in the Christian community, it is recommended that the search committee take steps to investigate carefully the circumstances of the divorce. These careful conversations should include:

- Pastoral colleagues
- A leader (or leaders) from a previous congregation
- A Christian counselor as a consultant
- The state or district minister
- Other references given by the candidate

## **Considering a Non-Church of God Candidate**

Extreme caution should be used in considering a candidate who is not credentialed through the Church of God. This is not meant to be a sectarian statement implying that the leadership of persons outside of our tradition has no merit. Many years of history have demonstrated, however, the dangers inherent in such a consideration.

These dangers include:

- **Doctrinal Clarity**—An erosion of theological teachings or traditions usually associated with Church of God congregations. Different traditions and perspectives may become apparent in the observance of communion, baptism and the washing of feet, all of which have particular traditions within the Church of God. In some cases, a non-Church of God candidate may bring to the congregation a theological mindset that, for example, reflects a Calvinistic rather than a Wesley-Armenian tradition.
- **Collegial Relations**—There may be a reluctance to participate in state or district functions as a minister because of a lack of connectedness with Church of God colleagues. This may be further expressed as the new leader fails to encourage the local congregation to participate in state or area Church of God activities. It is important for each local congregation to recognize that the Church of God does not consist of a loosely affiliated group of independent congregations. Instead, we must maintain our identity as a *fellowship* of congregations and leaders based upon common beliefs and objectives for the kingdom of God.
- **Loyalty Concerns**—A non-Church of God pastor may have a lack of loyalty to important traditions of the Church of God, e.g., the annual Christ Birthday Observance.

If the local pastoral search committee persists in believing that God is leading them to consider a candidate outside of the Church of God, it is strongly recommended that each of the considerations listed above be thoroughly examined and discussed before the call is extended.

## **Considering a Non-Credentialed Candidate**

We welcome new ministers into the Church of God. National leadership of the Church of God is working diligently to encourage women and men to answer God's call to ministry. Every minister who is presently credentialed in the Church of God, at one time in his or her ministry, entered into the process of becoming a recognized minister. Typically, non-credentialed ministers are those who are just entering into ministry and many of them are newly discovered treasures of the gifts of Christian leadership. Since Christian ministry is not to be fulfilled in isolation or in relationship to one congregation alone, we encourage the search committee to consult closely with state or district leaders to ensure that the candidate under consideration is one for whom credentialing is in process.

## **Considering a Female Candidate**

It is not the intention of this manual to make a theological case for the validity of God's call to women in ministry. It is, however, its intention to declare that the Church of God tradition

embraces women ministers as biblically qualified to serve as leaders in the kingdom of God. With that said, we present to you a few statements for the search committee of a local church to consider.

The Church of God is actively encouraging women to hear God's call to ministry. It is the responsibility of local congregations to provide the opportunity for these called and gifted ministers to serve God's church.

We see strong biblical evidence of women serving God's church and believe that part of God's intention is for the complimentary roles of men and women serving together in his Kingdom.

*We strongly discourage local churches from disqualifying candidates simply because of gender. It is the responsibility of the pastoral search committee to seek the very best candidate to serve a local congregation based upon the minister's spiritual gifts and qualifications—regardless of gender.*

### **Relating to Existing Church Staff When Considering a Candidate**

Church staff and associate pastors share a very deep interest in the choice of the congregation in selecting a new pastor. When the search is for a senior pastor, the result of the selection process will have a deep effect on the daily work of the church staff as the leadership style of the new pastor is established in the congregation.

Thus, it is wise for the search committee to consult with existing staff in the selection process while at the same time being careful not to allow the perception—or the reality—that the church staff has undue influence in the process. Existing staff (both pastoral and non-pastoral staff) will provide valuable input through their assessment of congregational needs, the leadership challenges facing the church, and their own unique feelings about the type of leader needed.

The most common complaints heard from church staff during the work of a pastoral search committee are the lack of informative updates and the failure of the committee to seek the input of existing staff. While it is difficult to balance the needs of confidentiality for the candidate and the needs of communication from the congregation and staff, the committee is well advised to seek ways to accomplish both.

### **The Search Committee's Relationship to the Departing Pastor**

When the departure of a pastor is congenial, the search committee may greatly benefit from the insights shared by the pastor in an exit interview. Caution must be exercised, however, to assure that the responses of the departing pastor do not overly influence the agenda and process of the search committee. Members of the committee must keep in mind that the perspective of a departing pastor is unique to him or her. No one else will see things from the same vantage point. Thus, the sharing of that perspective will give helpful insights to the committee as it tries to establish a profile of the kind of leader needed next to fulfill needs unmet in the now vacant pastoral role.

*Sample exit interview questions:*

- What do you perceive to be the strengths of this congregation?
- What do you perceive to be weaknesses in our ministry as a congregation?
- What particular gifts does the leader we seek need to be effective here?
- Can you think of colleagues whose gifts may be a good fit with this congregation?
- What do you see as challenges this congregation faces?
- Do you have any other suggestions for the pastoral search committee?

**The Search Committee's Relationship to the Family of a Pastor who Tragically Departs**

Among the reasons for the tragic departure of a pastor from a local congregation are disability or death. Sometimes, unfortunately, it is because of the moral failure of the leader. Each of these is devastating to the congregation, and each bears with it distinct emotions for the family members left behind.

In the event that the family of a departed pastor remains in the local congregation, there is another level of responsibility for the search committee that is charged with seeking someone else to fill the pastoral vacancy. Because it is an emotionally charged issue, the search committee will be wise to seek divine wisdom in doing their work while at the same time remaining sensitive to the remaining family. The greatest sense of loss for a ministry family can come in feeling that they are merely “swept aside” or ignored in the process of searching for a new pastor.

*Suggestions for honoring and loving the family of a tragically departed pastor:*

- Involve the remaining family in a special prayer time as you begin your work.
- Express your love and compassion by verbally acknowledging how hard it must be for the family to see that a “replacement” is being sought for the role once held by their family member.
- Give the family an opportunity to share with the committee insights about the church from the perspective of a staff family.
- Ask questions that may provide insights.
- Continue to express appreciation for the ministry of the departed pastor.

**PASTORAL ETHICS: How a Resigning Pastor Should Relate with the Former Congregation**

A widely recognized principle of ministerial ethics requires the departing pastor to maintain a posture of non-interference with his or her former congregation. When a pastor chooses to remain connected with a congregation that he or she formerly served, there are several things that can result—most of them negative.

A new pastor can feel intimidated by the presence of a former pastor.

The people in the congregation may remain emotionally connected to the departing pastor creating a disadvantage for the incoming minister. This is evidenced in times of great joy or grief (i.e. weddings and funerals) when congregants seek the participation of the former pastor at the exclusion of the incoming pastor.

Invariably a new pastor will discharge the duties of the pastor in a manner different from the departing pastor. The continued presence of the former pastor causes a sense of constant comparison and contrast, often at the expense of the new minister.

The departing minister may find it too hard to resist the temptation to make comments about the style of the new pastor. The failure of an outgoing minister to conduct himself or herself ethically in this regard puts the minister subject to discipline from the state or district organization.

Finally, and on rare occasions, there may be a harmonious relationship when a pastor decides to remain in close association with the former congregation. Since the risk of calamity is so high, however, it is strongly recommended that the departing minister worship elsewhere and sever his or her professional relationship with the former congregation.

### **CONGREGATIONAL ETHICS: How the Congregation Should Relate to the Departing Pastor**

The greatest responsibility lies with the departing pastor in establishing the relational boundaries with a former congregation (see previous section). It is, however, also the responsibility of congregational leadership, including the pastoral search committee, to remind the congregation that while the leadership of the former pastor is to be gratefully appreciated, it is also the responsibility of the congregation to emotionally prepare themselves for the new servant that God is preparing to come into their midst.

When the separation is congenial, that the search committee should make a public expression of gratitude for the ministry of the outgoing pastor and offer a public prayer asking the Lord to prepare hearts for the arrival of a new leader. The pastoral search committee is given the unique opportunity to help people make the emotional transition by reminding the congregation that they have a responsibility to “let go” of their relationship with the outgoing minister. The committee can help them to realize that the relationship has changed from “pastor” to “friend.” It is recommended that these reminders be given several times during the time of transition in both public form (e.g., worship services) and in printed form (e.g., bulletins and newsletters).

## **THE SELECTION PROCESS** **by Sam Dunbar**

The heart of the work of a pastoral search committee is the process of determining whom it will recommend to the church as a candidate for call to fill a pastoral vacancy. What follows is a detailed description of that crucial process.

### **Preliminary Preparation**

There are four key activities that should precede the search committee's actual assessment of prospective pastoral candidates.

**1.** First is the development of a **position description** for the prospective pastor. This document should be received by the search committee from the church's official key leadership group—church council, board of directors, or board of elders. If such a document is not forthcoming, it should be developed by the search committee in careful consultation with the appropriate congregational leadership group. The position description should be the church's best projection of what it understands to be the duties and responsibilities of the pastoral position it is seeking to fill.

Some position descriptions may be quite general and broad in nature and others may be more detailed. This document should be fluid in nature, meaning that it should be somewhat open to negotiation and modification based on discussion with finalist candidates. It is the duty of the search committee to make it clear to any prospective candidate with whom it shares the position description that this document is, at best, a starting point for discussion about its expectations regarding the pastoral position it is seeking to fill.

In some congregations there may be a sense that it is somehow inappropriate or undesirable to create a pastoral position description. In such a case, the search committee should develop—for its own use—a written list of “pastoral expectations” that to a large degree expresses its understanding about what the church expects of someone who will fill the pastoral office. The church that refuses to understand that it possesses such a list of expectations—written or

unwritten—is only denying. The pastoral office is filled by a flesh and blood human being who works in a real world with other flesh and blood human beings, all of whom possess ideas about what a good pastor is and how a good pastor functions in the real world. Failure to address these issues forthrightly and prayerfully only creates an atmosphere for inevitable conflict in the life of the church.

Once the search committee states its “expectations,” the document becomes the basis for positive and creative discussions with the future pastor for developing a pastoral position description. Whether or not a position description is ever developed, the expectations document will provide a valuable discussion piece in the interview process with prospective pastoral candidates—and a touchstone for developing ministry. (See Appendix for one congregation’s version of this document.)

**2.** The second preliminary activity of the search committee should be to determine what its **operating budget** will be. This will likely be determined in consultation with the key leadership unit of the church, but the search process does require a budget to cover communication and travel expenses, to name two. No church should undercut a healthy and thorough search process by failing to provide adequate budgeting for phone calls, interview meetings, and so forth. It is undesirable for a search committee to begin making contacts, setting appointments, and planning travel visits before it knows its operating budget. Failure to take care of this practical detail will prove embarrassing and a hindrance to both the committee and any prospective candidate—as well as for the entire church. It would be unfortunate to short circuit an otherwise promising relationship with a prospective pastor by failing to deal adequately with appropriate funding for the search process.

**3.** The third step of preliminary planning is the development of an adequate **prospect pool**. This begins by building a list of names of prospective pastoral candidates. In most instances, this is initiated through a contact with the state or district office or the credentials chair of the Church of God. These resources will provide the search committee with a list of possible candidates. The office of Congregational Ministries in Anderson<sup>1</sup> will also provide names and, in virtually all instances, has already developed a working system with your state or district leaders to facilitate this process.

Many times members of your local church will have names to suggest and, in fact, may be ready to offer names long before your committee is ready to receive them. Individuals on the committee should receive suggestions graciously, but always make it clear that the committee as a whole will evaluate names and that the committee or a committee member cannot “campaign” for any one person’s recommendation.

Ministers who know about your church’s search may offer suggestions and may do this at their own initiative. Others will recommend persons who have requested that they do so. Your committee or individuals in your congregation may even want to invite respected pastors to offer suggestions. College or church officials may also recommend names. All of these are legitimate sources.

Some prospective candidates will write or call on their own behalf. While this is not improper, the search committee needs to be very cautious about those who present themselves as emi-



nently qualified, especially if they are assertively insistent of being considered. While it goes without saying that any candidate should be thoroughly researched and referenced, it is especially important for self-recommended candidates—although it is possible to receive a viable name by this means.

**Current employed pastoral staff:** It is not at all unusual for a church to have full or part-time associate ministers already on staff, one or more of whom may want to be considered for the vacancy. It is wise to deal with the question of whether or not a staff person may be seriously considered for the pastoral position before moving on.

If a current staff associate desires to be considered for the search, and if the search committee determines in the pre-screening process that she or he is a viable possibility, then that associate should submit a résumé or application in the same manner as other candidates are required to do.

Sometimes there is a tendency on the part of some search committees to give preferential treatment to a current staff person. There are some cautions that need to be considered.

“We already know this person and he (or she) already knows us.” The truth is that the church knows this person in the role they have been filling. They do *not* know that person in the new role being considered.

Some search committees will turn to a current staff person out of convenience, as a shortcut to a thorough and effective search. This is a mistake. Any staff person who is actively considered should be taken through the complete process of submitting materials, being interviewed, referenced, and candidated. Failure to complete the entire search process with a known staff person is to short circuit an effective search, cheat the candidate of the opportunity to fully express himself or herself regarding the open position, and, potentially, leave the church blinded to important considerations and assessments that it would otherwise consider in a complete search.

There is also the serious ethical question of fairness toward other viable candidates.

On the other hand, it should also be noted that the search committee who immediately dismisses the potential candidacy of a current staff person might also be courting disaster. If that staff person has a group of loyal supporters in the congregation ready to champion a particular candidacy, the search committee should be able to report confidently to them: “We carefully considered that candidacy and as a group decided it was not God’s direction for us.” If the committee does decide to recommend current staff for consideration, that will become known to the church in due time.

If a current staff associate becomes a serious candidate and is not selected by the search committee or congregation as the pastor, in all likelihood that associate will need to relocate.

The fourth and final preliminary step before actual assessment is **pre-screening**. By the time the search committee is actually ready to look at prospective candidates, they will usually have gathered a considerable pool of names, ranging anywhere from fifteen to eighty, perhaps more. Some of these names can be eliminated almost immediately through the process of

pre-screening. Pre-screening is the step in the search process when the committee looks at the broad qualifications of a candidate, seeing if there are any obvious reasons to move a person into a holding file or a no longer interested file.

Some general criteria, based either on the position description or the list of expectations, will eliminate the obvious mis-matches: for example, those who are not properly credentialed with the Church of God; those who are considered to be obviously unqualified professionally; or those who are known to have defaulted morally or ethically.

There may be other disqualifying local factors that are considered in pre-screening. If your church's leadership has determined that it must acquire a bivocational pastor, it would be a waste of time to consider full-time candidates. If your preparation has indicated that the church is ready for a vigorous, full-time pastor, there is little use in considering someone who is seeking to be semi-retired. In each case, the committee will be aware of those situations where a complete mismatch is glaringly apparent.

### **Evaluation and Assessment**

Now the search committee enters into the most crucial phase of its work: the evaluation and assessment of prospective candidates with the goal of finding the one whom God desires for your church. It is during this time that the committee most greatly needs its prayer partners to undergird them (see the section in chapter 2 on prayer and pastoral search).

As the search committee sits down to this task, it will no doubt be looking at an array of documents. Prospective candidates will develop their own résumés in their own style and format. Since this can be a little confusing, it is always best to receive initially information on the standard forms that are available from the Congregational Ministries Office of Church of God Ministries.<sup>2</sup> These standard forms are the "Minister's Information Form" (MIF) with evaluations.<sup>3</sup>

The MIF provides a concise overview of each minister and the attached "summary" offers a condensed compilation of evaluations that have been made about the minister from persons who best know his/her ministry. An MIF for each person you are considering can be obtained through your state or district office or directly from Congregational Ministries.

The matter of a minister's credentials and good standing in ministry should be of paramount concern to each and every congregation. Your church should desire to call a pastor who has undergone the careful scrutiny of his or her fellow ministers and received their endorsement and blessing in ministry. For this reason, your church should only consider candidates who can be verified to be in good and regular standing with the Church of God. Careful consultation with your advising minister or your state or district office of credentials is essential. On occasion, you may encounter a seemingly qualified pastor who is just entering the credentialing process or does not possess current Church of God credentials. Extreme caution is advised in such a case, and you should only proceed with such an individual if your Church of God state credentials agency has been thoroughly consulted and is in complete agreement with your proceeding to consider such an individual. If you cannot contact your state authority, be certain to consult with the Director of Congregational Ministries at Church of God Ministries in Anderson, Indiana.

As your committee considers each person, the fundamental question to ask is: "Is this the person God wants to serve our church?" As Keith Huttenlocker said, "The issue is not availability but suitability."<sup>4</sup> Your committee is trying to determine which person most completely and clearly matches the needs that you have for a minister. You will want to keep the results of any congregational survey you have keenly in mind as you read through MIFs and résumés. As you work remember that: "Perfect compatibility is probably unobtainable and unnecessary. Yet a likeness should be sought insofar as possible."<sup>5</sup>

Each search committee will devise its own method for narrowing the list of persons it is interested in pursuing. One approach might be to ask each member of the committee to take home the MIFs and résumés to study privately and personally, pray over, and review. Great care should be taken to remember the need for confidentiality and in fact, all MIFs and résumés should be returned by committee members after their careful review. After each member of the committee has prayerfully evaluated each name, he or she could privately make a list of their top three choices. When the committee reconvenes as a group, compile the individual priority lists to see the results. This is one way that the committee begins to come to consensus as to which one candidate they will recommend to the church for consideration.

The initial contact that the committee makes with finalists is important. The contact should be in the nature of a personal inquiry as opposed to a generic and impersonal letter. An initial phone contact or letter stating that your search committee has been reviewing names of persons whom they are considering for a pastoral position and are willing to consider prayerfully discussing the possibility of their interest. This is much better than a generic letter to a candidate stating, "Our church is seeking candidates for pastor and wondered if you would be interested in submitting a résumé." The former conveys personal, prayerful interest. The latter suggests a general, impersonal process.

Your initial contact with prospective candidates will tell you whether or not they are interested and willing to have further discussion with you about the possibility of considering your pastoral opening. In making a call, take care to phone a pastor at home or, if speaking with a secretary, to identify yourself by name only and state that you wish to speak with the pastor about a personal, private matter. Always identify yourself immediately to the pastor and ask if he or she is free to speak with you or if there is some better time or way for you to make contact. Always inquire regarding the best way to make contact. If prospective candidates indicate that they are not interested, courteously thank them and conclude the conversation.

If the prospective candidate is interested, request that a résumé be sent to you as well as an MIF from Church of God Congregational Ministries. At this point, you should also offer to send information about your church and community to the prospective pastor.<sup>6</sup>

Make certain to secure a comfortable setting for an interview with special attention to confidentiality. You may choose to meet at a church facility, at a more neutral setting, or even at a search committee member's home. Always began the meeting with prayer and introductions. The prospective candidate will be better known by the committee than the candidate will know the committee. Take some time for each committee member to introduce himself or herself, to tell a little about whom they are, and to describe how they are involved in the life of the church.

While a time for spontaneous, impromptu questions and answers may arise during an interview, the committee should always be prepared to begin the interview with previously composed and well-considered questions. Interviews should include some consideration in each of the following areas:

- The *mission* philosophy of the candidate. What does he or she believe the mission of the church is or ought to be?
- What kind of *vision* would this person bring to your particular situation? What sort of goals would they suggest the church needs to adopt for its future ministry?
- What is their own *faith* perspective? Ask about their conversion and personal doctrinal positions especially relating to salvation, the work of the Holy Spirit and eschatology.
- What *social and political issues* do they care deeply about? This would include views about abortion, homosexuality, ecology, conscientious objection, and similar other matters.
- *Leadership style* is a critical area of consideration. Is the candidate more directive and assertive or more committed to group process and consensus building? Whatever a pastor perceives his or her leadership style to be, some time spent in dialogue about various issues will help to reveal to the committee the individual's actual leadership tendencies.
- Expectations about a *spouse's involvement* and role in the life of the church should be examined. (See appendix for one spouse's ideas in this area.)
- Always ask a pastor to share his or her *philosophy of ministry*. What does he or she understand to be the role and function of the pastor in the life of the church as well as the role and function of the laity?

There should be a meeting with the search committee at the beginning of the visit. Here the itinerary can be reviewed and details clarified among persons the candidate has already met previously. The committee can make certain that the accommodations are satisfactory. If the committee has not previously met or interviewed the candidate's spouse, this might be a good occasion to do so.

A meeting with the official church council, board of directors, or eldership is essential. In this setting specific financial issues related to compensation may be discussed and other aspects of how a working relationship would unfold may be examined.

A time of public worship with the entire congregation in which the prospective pastor may be invited to lead in prayer or read scripture as well as preach should be included.

Near the conclusion of the candidating visit, the search committee should again meet with the candidate and spouse to explain what the next steps are in the decision making process, answer lingering questions and openly share any impressions.

Following the candidating visit the church will vote on whether or not to call the candidate to serve as pastor. Church by-laws vary about when the vote will be taken and what the exact requirements are for a satisfactory call. Usually the decision will be made within one week. If the church by-laws require a one or two week notice to call a business meeting, the search committee should work carefully with the church leadership structure to make certain the proper announcement is made in a timely manner so that a final decision can be made within one week of concluding the candidate's visit. In the actual meeting where a pastoral call is voted on, the chair of the search committee should be prepared to state the committee's favorable endorsement of the candidate to the church and offer the appropriate motion. Another member of the search committee should have agreed prior to the meeting to stand ready to second the motion. If there is any discussion on the motion, the entire search committee should be prepared to speak supportively of the motion and to answer any questions about the search process, except of course the revealing of confidences such as the attaching of a reference person's name to some particular statement.

Some churches will plan a vote to take place on the same day that the candidating visit concludes. While the advisability of this practice has been debated, it is unlikely that a longer lapse between visit and vote will change the results. In some instances an immediate vote maximizes participation and avoids vote influencing, which may be a desirable outcome in some potentially polarizing environments.

### **Follow Up**

Once a church has voted on a pastoral candidate, the search committee still has some important work to do. No matter what the results, it is their duty to help the church absorb the outcome.

If the church has called a new pastor, the search committee will usually work with the other church leaders to plan for a smooth transition and a dignified and appropriate installation service. The committee should immediately notify the candidate of the call and ascertain acceptance. It does happen occasionally that even after receiving a favorable vote a candidate will decline the call. If the pastorate has been filled, the search committee should also write a letter to all other interviewees, informing them that the process is complete and thanking them again for their interest.

If the church has voted not to call the recommended candidate or the candidate declines the call following a favorable vote, then the search committee returns to the assessment and evaluation process until it has another person ready to recommend.

If your work begins anew because of an unfavorable vote, the search committee needs to do some assessment. Why did the church not support your recommendation? If the answer is that the candidate faltered in some way—e.g., poor preaching, personally unappealing, some other unattractiveness—then the committee has to accept the situation and move on.

In some cases there are other reasons why the church votes negatively on a candidate such as:

There was distrust of the process. Persons think that the search committee was improperly formed, the congregation was uninformed, or they felt pressured to accept a candidate. There is a group within the church who supports a favored candidate—e.g., an interim pastor, a staff associate, a relative or locally popular independent minister—and they are determined to block a call to anyone else.

If one of these situations exist, the search committee should approach the church leadership. Together they should devise a plan to deal with resolving the matter that has created the obstacle. Until this conflict is resolved the pastoral search should be postponed. While this may prove discouraging, the committee should enter into earnest prayer, confident that in his time God will work out the difficulty and the church will move forward to call a new pastor.

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1. Credentials Office, Congregational Ministries Team, Church of God Ministries, 1-800-848-2464, ext. 2109, or [credentials@chog.org](mailto:credentials@chog.org).
  2. Church of God Ministries, P. O. Box 2420, Anderson, Indiana 46012-2420. Telephone: (800) 848-2464. *Yearbook of the Church of God* (Anderson, Ind: Church of God Ministries, 2003) 37.
  3. See appendices for examples.
  4. Keith Huttenlocker, *A Handbook for Pulpit Committees* (Anderson, Ind: Warner Press, 1991) 28.
  5. *Ibid.*, 28.
  6. See Appendix for a suggested “Congregational Résumé.”
  7. *Op cit.*, 30.

## **QUESTIONS A PULPIT COMMITTEE SHOULD ASK**

1. Has he/she been successful in his previous pastorates?
2. Is his/her Christian character exemplary and beyond reproach?
3. Is his/her home life exemplary?
4. What is the general educational and cultural level of this man/woman and family?
5. Is he/she doctrinally sound and fundamental?
6. What has he/she done in the field of Christian education?
7. What is his/her interest and contribution in youth work?
8. Is his/her preaching enlightening and instructive?
9. Does he/she have organizational and administrative ability?
10. What about his/her counseling ability?
11. Is he/she a growing person - intellectually and spiritually?
12. Is he/she a deeply spiritual man/woman?
13. What kind of working relationship does he/she have?
14. Would this person be considered emotionally mature, a balanced personality?
15. How is he/she in home visitation and outreach?

Now List Your Questions and Concerns:

## What to look for in a Minister

- “1. Positive attitude—the ability to see people and situations in a positive way.
- \*2. High energy level—strength and stamina to work hard and not wear down.”
- “3. Personal warmth—a manner that draws people to them.
4. Integrity—trustworthy, good solid character, words and walk are consistent.
5. Responsible—always “comes through,” no excuses; job delegated-job done.
6. Good self-image—feels good about self, others, and life.
- \*7. Mental horsepower—ability to keep learning as the job expands.
8. Leadership ability—has high influence over others.
9. Follower-ship ability—willingness to submit, play team ball, and follow the leader.
- \*10. Absence of personal problems—personal, family, and business life are in order.
11. People skills—the ability to draw people and develop them.
12. Sense of humor—enjoys life, fails to take self too seriously.
- \*13. Resilience—able to “bounce back” when problems arise.
- \*14. Track record—has experience and success, hopefully in two or more situations.
15. Great desire—hungers for growth and personal development.
16. Self-discipline—willing to “pay the price” and handle success.
17. Creativity—ability to see solutions and fix problems.
18. Flexibility—not afraid of change; fluid; flows as the organization grows.
19. Sees “Big Picture”—able to look beyond personal interest and see the total picture.
- \*20. Intuitive—able to discern and sense a situation without tangible data

\*Probably cannot be taught. Others with a good mentor can.

Excerpt From: John C. Maxwell. “Developing the Leader Within You.” iBooks. <https://itun.es/us/GijnK.l>

### Guidelines when looking for Staff

“These are some guidelines I have tried to follow when looking for staff:

- Know what you need before you start looking for someone.
- Take time to search the field.
- Call many references.
- Have several interviews.
- Include your associates in some of the interviews and ask for their input.
- Interview the candidates’ spouses.
- Check out the candidates’ track records.
- If possible, have a trial run to see if the job and the potential staff match.
- Ask hard questions, such as, “Why did you leave?”; “What can you contribute?”; “Are you willing to pay the price?”
- Trust your instincts.”

Excerpt From: John C. Maxwell. “Developing the Leader Within You.” iBooks. <https://itun.es/us/GijnK.l>



## What to look for in a Minister

WHEN YOU CANNOT AFFORD TO HIRE THE BEST, HIRE THE  
YOUNG WHO ARE GOING TO BE THE BEST

Then:

Believe in them—that will encourage risk.

Show them—that will build respect.

Love them—that will strengthen relationships.

Know them—that will personalize development.

Teach them—that will enhance growth.

Trust them—that will develop loyalty.

Expand them—that will provide challenges.

Lift them—that will ensure results.

”

Excerpt From: John C. Maxwell. “Developing the Leader Within You.” iBooks. <https://itun.es/us/GijnK.l>

# TEN QUESTIONS ????????

## FOR SEARCH COMMITTEES TO ASK OF PROSPECTIVE PASTORS

Help for Avoiding Awkward Moments  
and Acquiring Necessary Information

by John Albright

Oh, those search committee/prospective pastor interviews. How awkward they can be. Knowing good questions to ask can help significantly. Here are ten good ones, different from those usually asked. Some get at the desired information indirectly. The intent is not to be sly or cunning, but to facilitate the process skillfully. Use your judgment regarding which ones will aid your interview most effectively.

One other thought: a little adaptation can make these same questions useful in an interview with an associate pastoral candidate, also.

*1. Tell us about the persons with whom you work closely in your present church -- secretary, custodian, associate minister, and so forth. How long have they served in their positions? How would you describe your working relationship with each and among them all.*

This is a useful question if you are interested in a pastor who will be a good team person with other church staff. Assuming you want the pastor to lead the team, it is important to know the leadership style. Will he or she be autocratic or democratic? Will he or she work independently or inter-dependently? Will plans and decisions be shared or handed down? Will servant

leadership be modeled by this candidate?

*2. What do you consider the single most important idea you contributed or your single most noteworthy accomplishment at your present church?*

This will allow an opportunity for the candidate to brag a little and not feel uncomfortable since the information has been called for. While the candidate is answering, be thinking, "Was this in response to a need perceived by the candidate, or a need expressed by the congregation, or both?" If this question is not answered in his or her response, you may want to ask it specifically. The reply may indicate the candidate's sensitivity to a congregation's real and felt needs.

*3. What do you think it takes for a person to be successful in pastoral ministry?*

This question is an indirect but usually effective way of revealing the candidate's strengths and weaknesses. Most persons will answer within the context of why they think they do well or not so well. Responses will indicate whether a candidate is people oriented or program oriented. It can reveal a person's administrative and organizational skills. It will show whether he or she

involves people or "flies solo" in getting tasks accomplished. It will indicate if the candidate relies mostly on personal skills or group skills. It may indicate what areas of ministry seem most important -- preaching, pastoral care, administration, or a healthy balance of many areas.

*4. In your present church what specific things have you done to improve your effectiveness? And what books are you currently reading?*

Again, this question may help to lift up the prospective pastor's strengths, but more importantly, it will provide a good feel for his or her willingness to surpass basic job requirements. Continuing education efforts such as attending training events and seminars, and pursuing additional formal education are good signs of a desire for a self improvement, of a growing person.

*5. Can you tell us a little bit about how you make important decisions?*

This question is one that is not often asked, but it can reveal much. It indicates how the prospective pastor is likely to operate, whether he or she likes to make quick decisions and "get on with it," or whether he or she takes time first to analyze all the

variables. A balance is desirable because both characteristics are needed depending on the circumstances. Be aware of how much or how little the candidate seeks counsel and ownership of others in decisions. Be aware of rigidity. In church leadership, the best decisions are nearly always shared decisions. Flexibility without being “wishy-washy” is a sign of an individual who can tailor decision-making processes to the varying situations.

*6. When you're under pressure to get a task completed, how do you involve the people around you?*

Do you want to gauge the prospective pastor's management skills? This is a question to help. Will he or she be a team player, a coach, a player/coach? What do you see as most desirable for your church? Some leaders assign jobs, crack the whip, and call it delegating, when actually it is dumping. Little or no guidance or encouragement is given. Others include as many as possible in deciding how a job should be done, then roll up their sleeves and help by example. Again, you can relate the candidate's response to the style you desire for your church.

*7. In general, what can you tell us about your present church?*

This is another way of asking why do you want to leave your present church, and why are you considering your church. If that concern is not addressed in the candidate's response, you may want to

ask it more directly. But allowing him or her to get at the issue first is advisable.

*8. What do you know about our church?*

In business, if a candidate knows a lot about a company in which he or she is seeking a position, a good impression can be made. That is not necessarily the case for a pastoral candidate. A candidate may know little or much depending on several factors such as friends in ministry who are knowledgeable about the church, the church's reputation in general, and whether or not the candidate has made an effort to find out about the prospective church. One candidate may feel that to be open to God's leading it is better not to be well acquainted with the church. Another candidate may maintain the opposite point of view. Allowance for varying opinions is important.

The question does allow an opportunity for the search committee to share feelings and views. Weaknesses and strengths and possible trouble areas can be shared. Sharing the truth with discretion should be the rule in this situation.

*9. What risks have you taken in the churches you have served?*

A visionary person is one to be desired, especially if he or she has the courage to act on those visions, provided those visions have practical application, and that he or she is not so far ahead of the congregation that the visions are not shared ones. Even then, some visions may not be shared at first, but later.

This is okay unless the candidate is rarely in touch with the people and always seems to be functioning in a visionary realm.

In the process of listening to this response, not whether or not the candidate admits failures. This communicates vulnerability and humanness. We all are vulnerable and human; we might as well admit it. If there is discomfort in talking about risks, don't push it and move on to the next questions.

*10. If we were to talk with the people in the congregation you now serve, what do you think they would say about you?*

By this time in the interview the atmosphere will likely be comfortable, and the candidate should be able to talk freely. Likely, some light-hearted comments will be made and some laughter shared. What you need to know as a result of this question is the prospective pastor's level of self awareness. If the candidate is good at his or her ministry, it will be known through the response without the response sounding arrogant. Likely you will be securing references about the candidate. This gathering of personal comments will allow opportunity for the candidate's responses to be compared with the comments gather from others.

## Pastoral Questionnaire

Please write a few thoughts about each topic listed below. We are interested, for your sake and ours, in relevant and concise statements of your thoughts and feelings as these phrases relate to you and your ministry.

### Personal Information

Name \_\_\_\_\_

Age \_\_\_\_\_ Years Pastoring \_\_\_\_\_

Home Phone (\_\_\_\_) \_\_\_\_\_ Office Phone (\_\_\_\_) \_\_\_\_\_

E-mail \_\_\_\_\_

Fax (\_\_\_\_) \_\_\_\_\_

### Spiritual gifts:

(1) \_\_\_\_\_

(2) \_\_\_\_\_

(3) \_\_\_\_\_

Why do you want to change churches?

What is missing in your current church that you would like to find with us?

Spouse's name \_\_\_\_\_

Does your spouse have a role in your ministry or in the church?

If so please describe.

### Children:

1) \_\_\_\_\_ age \_\_\_\_\_ 2) \_\_\_\_\_ age \_\_\_\_\_

3) \_\_\_\_\_ age \_\_\_\_\_ 4) \_\_\_\_\_ age \_\_\_\_\_

5) \_\_\_\_\_ age \_\_\_\_\_

Do you own your home? yes \_\_\_\_\_ no \_\_\_\_\_

Would you prefer to live in a parsonage \_\_\_\_\_ or your home \_\_\_\_\_ ?

## **Your Thoughts about Leadership**

My style of leadership is:

My relationship to the board will be:

My relationship to staff and committee leaders will be:

Developing and nurturing a vision means:

Involving others in lay ministry means:

I mentor others by:

I foster commitment and accountability by:

## **Your thoughts about Administration**

Administration of the church should be:

The board and committees assist in church's administration by:

## **Your Thoughts about Worship**

The worship style I prefer is:

My preaching and teaching styles are:

Lay participation should include:

I think formal and informal worship are:

## **Your Thoughts about Education**

Good children and youth programs include:

Family ministry means:

Adult education should be:

### **Your Thoughts about Evangelism**

Evangelism allows the church to:

Training others for evangelism means:

Evangelism should be:

### **Your Thoughts about Fellowship**

Good church fellowship is:

I think family visiting is:

Caring for each other means:

*Questions you might have of us?  
Please write any questions you may have on another piece of paper.*

FIRST INTERVIEW QUESTIONS STARTER LIST...

- A. Do you have a resume? (Helps you get a feel of what he can do).
- B. If you could do anything, the ideal position to maximize your strengths, what would it be?
- C. Why do you do what you do?
- D. What three things have you done which have brought you the most satisfaction?
- E. What role do you prefer to play?\*
- F. What do you feel is holding you back in life?
- G. What single thing would you like to do with your whole heart?
- H. In what areas would you most like to grow personally?
- I. What income range are you seeking?
- J. What has been missing in your previous positions? Why are you looking to change positions?
- K. What did you like best about your last position?
- L. What questions do you have of us?

Note: Add your own questions to this checklist.

\* Give them additional assignments and see how they follow through before hiring if possible.



SECOND INTERVIEW QUESTIONS STARTER LIST...

- A. What are you very, very best at doing?
- B. Whose position would you like to have in 5 years?  
Where would you like to be in 5 years?
- C. What would your spouse recommend you do? Do you agree? Why?
- D. What would you say have been missing in your previous positions? What caused you to move on?
- E. What are the 5 most important milestones in your life to date? Why was each important?
- F. If you were made president of your present firm...what changes would you make? Why?
- G. What most attracts you about our organization?
- H. What do you hope to learn from us? Bring to us?
- I. From what you have seen, how would you suggest improvement in our organization?
- J. What question do you have of us?

Note: Add your own questions to this checklist.

\* Give them additional assignments and see how they follow through before hiring if possible.

QUESTIONS TO ASK YOURSELF AFTER EACH INTERVIEW

- A. What were my first impressions? (Likeable, confident, image, spiritual maturity, balance, etc.)
- B. Does this person seem teachable? (Old dog, new tricks?)
- C. Does this person seem to be a team builder or a loner?...Doer or delegator?
- D. Does this person have a proven track record...or high potential with no track record?
- E. Was this person other-focused, or self-centered?
- F. Do we admire him/her?
- G. Do we want to "grow old" with this person?
- H. Is he/she stronger than we are? In what areas?
- I. Would I want this person to supervise my children?
- J. Would they represent our organization up to our standards?
- K. Are we confident he/she can "get the job done?"
- L. Are we satisfied he/she wants to do the job?

Note: Keep adding your own questions to this Checklist.

SPOUSES SAMPLE QUESTIONS

- A. As you have been considering the possibility of your spouse working here...what question do you have of us?
- B. Do you feel/think your spouse would be the right person for this position? Why?
- C. What do you see as your spouse's greatest single strength?
- D. Candidly speaking, what position would you like to see your spouse in, 5 years from now?
- E. What would be your ideal role or relationship with our group, assuming your spouse takes this position?
- F. How would you describe your relationship with your spouse?
- G. In your heart of hearts...how do you feel about your spouse taking this position?
- H. From your perspective, how will this position maximize your spouse?
- I. What do you like very best about the possibility of your spouse working with us?
- J. Do you have any last minute questions of us?

Note: Keep adding your own questions to this list.

NOTE...

- A. Think of a very difficult, high-pressure situation this person could possibly face, and turn it into a question.
- B. Ask how he/she would handle this situation.
- C. Evaluate if this is the way you would want it handled.

\*\*\*\*\*

- \* You get your monthly report and find that you are \$\_\_\_\_\_ (30% off projected budget) off budget..what would you do?
- \* You receive a phone call and one of your largest clients (donors, supporters, buyers) says they will stop all relationship with our organization unless a certain person on staff is fired...
- \* You find that your most trusted staff person has been talking negatively behind your back...
- \* Your most loyal friend just isn't producing adequate results...your board says to fire him/her...what would you do...how would you do it?
- \* You have two extremely strong members of your team (board, staff, volunteer) take very opposing views on the direction your team should go...what would you do?
- \* The person to whom you report goes "around you" and gives one of your staff members a decision or evaluation....what would you do?
- \* You arrive your first day and your expected budget and staff are reduced by 50%...what would you do?
- \* The day you arrive you find that your team is in a depression...slump...discouraged...what are the first 3 things you would do?
- \* You are on the job happily for 1 year and another organization offers you a 25% raise. What would you say?
- \* You arrive the first day and learn that we are expecting you to double our organization in 2 years...how would you respond? Why?

\*\*\*\*\*

- \* Adapt these questions or similar ones to your own needs.

AREAS TO COVER IN TELEPHONE REFERENCE CHECK

(Call the last 2-3 "bosses" from the resume!)

Tell briefly about the position open ... AND THEN ASK ...

- A. Team builder or loner?
- B. Rehire? Why?
- C. Loyalty?
- D. Teachable?
- E. Income?
- F. Spouse?
- G. Greatest strength? Best role?
- H. Any concerns about the ability to  
\_\_\_\_\_?
- I. Any skeletons in the closet before asking them to  
join?
- J. Key to motivating \_\_\_\_\_?
- K. Honesty?

Note: Add your own questions to this list...

## REFERENCE QUESTIONNAIRE

\*\*\*\*\*  
 To be completed by reference:

Name \_\_\_\_\_ Date \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Occupation \_\_\_\_\_

How long have you known the candidate? \_\_\_\_\_

In what capacity have you known the candidate? \_\_\_\_\_

How well would you say you know the candidate? \_\_\_\_\_  
 (Not very well; Average; Well; Very well; Intimately)

Signature \_\_\_\_\_

Please circle the LETTER for the most appropriate answer on each of the following questions. If you feel your knowledge of the candidate is insufficient in that particular area, please leave blank.

1. RESPONSIBILITY: Ability to faithfully assume and carry out responsibilities.
  - A. Irresponsible
  - B. Somewhat Responsible
  - C. Responsible
  - D. Very Responsible
  
2. ADAPTABILITY: Ability to adjust to changes in circumstances.
  - A. Much difficulty adapting
  - B. Moderate ability to adapt
  - C. Adapts well
  - D. Very adaptable
  
3. PERSEVERANCE: Ability to move ahead in the face of adversity.
  - A. Does not persevere
  - B. Sometimes perseveres
  - C. Usually perseveres
  - D. Almost always perseveres

4. DECISIVENESS: Ability to synthesize information and choose a direction.
  - A. Very indecisive
  - B. Somewhat indecisive
  - C. Decisive
  - D. Very decisive
  
5. PERSONAL APPEARANCE AND MANNER:
  - A. Careless
  - B. Fair
  - C. Good
  - D. Very well-groomed and well-mannered
  
6. SOCIAL POISE: Social demeanor or confidence
  - A. Very lacking in confidence
  - B. Exhibits only limited confidence
  - C. Confident
  - D. Very poised and confident
  
7. COOPERATION/TEAMWORK: Ability to work with other people.
  - A. Almost unable to work
  - B. Some difficulty working with others
  - C. Works well a team member
  - D. Extremely effective as team member
  
8. COMMUNICATION: Ability to present, evaluate and exchange thoughts with clarity and logic.
  - A. Poor communicator
  - B. Fair ability to communicate
  - C. Good ability to communicate
  - D. Outstanding ability to communicate
  
9. SPIRITUAL MATURITY: Demonstrates maturity and consistency in Christian faith experience.
  - A. Very immature
  - B. Somewhat immature
  - C. Very consistent and mature
  - D. Exceptional
  
10. CHURCH INVOLVEMENT: Relationship with a local church.
  - A. Very infrequent
  - B. Somewhat involved
  - C. Active participation
  - D. Deep involvement in life and ministry of church

11. EMOTIONAL STABILITY: Response to stressful situations.
- A. Much difficulty in dealing with stressful conditions.
  - B. Some difficulty in dealing with stress
  - C. Usually handles stress well
  - D. Exceptionally well poised. Deals positively with stress.
12. SELF-IMAGE: Strength of acceptance of who he/she is as a person.
- A. Very poor self-image
  - B. Has trouble accepting and understanding self
  - C. Good self-acceptance. Well adjusted.
  - D. Exceptional strength of character and self-acceptance
13. LEADERSHIP (Demonstrated): Concrete evidence of ability to direct, conduct, guide or influence people.
- A. Almost never leads
  - B. Leads only on occasion
  - C. Leads frequently. Takes initiative.
  - D. Exceptional leadership demonstrated.
14. LEADERSHIP (Potential): He/She has abilities & skills necessary for development of quality leadership.
- A. Low potential for this type of leadership
  - B. Some potential, but rather limited
  - C. Good potential. Development very possible
  - D. Exceptional potential for dynamic leadership

To what degree would you say the following traits are apparent in the life of the candidate? (Circle appropriate NUMBER: 1-10...10 being highest).

Honesty	1	2	3	4	5	6	7	8	9	10
Moral Character	1	2	3	4	5	6	7	8	9	10
Teachability	1	2	3	4	5	6	7	8	9	10
Self-Motivation	1	2	3	4	5	6	7	8	9	10
Commitment To Christ	1	2	3	4	5	6	7	8	9	10



Commitment To Family	1	2	3	4	5	6	7	8	9	10
Rapport with Others	1	2	3	4	5	6	7	8	9	10
Ability to Articulate	1	2	3	4	5	6	7	8	9	10
Sensitivity to Others	1	2	3	4	5	6	7	8	9	10

1. Please comment: What are his/her areas of greatest strength and ability?

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2. Please comment: What are his/her areas needing development and attention?

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3. How would you describe his/her marital adjustment in the past, present or possible future?

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4. Do you have any other candid comments you would care to share?

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Let me assure you that the evaluations and comments on this survey will be kept in the strictest confidence. Thank you for taking the time to complete this form.



Bobb Biehl, President  
Masterplanning Group International

BB:sj

## **THE BENEFITS AND COMPENSATION PACKAGE**

**by Susan Tatarka and Jeff Jenness**

### **Introduction and Key Concepts**

This chapter is a resource, intended to provide recommendations and guidance for the pastoral search committee or appropriate committee responsible for setting benefits and compensation for pastors.

Knowing the pastor's financial needs is very important; striving to provide the best compensation package and structure is vital. Inadequate compensation and benefits may discourage the prospective candidate. A well-planned and structured package can bless and release the pastor to excel in ministry.

An important distinction between the "cost of a minister" and the "cost of ministry" is essential for a committee to provide adequate funding for a healthy minister and healthy ministry. Differentiating between these two concepts makes it possible for ministry expense to be properly covered and, at the same time, the minister's benefits and compensation package is fairly evaluated.

There are many aspects to the benefit/compensation package not the least of which is being aware and informed of the IRS regulations set aside for clergy. (Resources to help in this arena are listed at the end of this chapter.)

### **Guidelines**

The following are helpful guidelines relative to benefits and compensation for your church to consider when calling a pastor.

## **Who Is a Minister—According to the IRS**

To begin, it is important to understand who a minister is from the perspective of IRS rules—and why it matters. The following five factors are used by the IRS in determining if a person is a minister for federal tax purposes. For the IRS a minister is one who

- Is licensed, commissioned, or ordained,
- Administers the sacraments,
- Conducts religious worship,
- Manages responsibilities in the church,
- Is considered to be a religious leader in the church.

The first factor—**licensed, commissioned, or ordained**—seems to be required by the IRS with additional emphasis on at least a majority of the other four factors. Clearly, the greater the number of factors met, the stronger the case is that the person deserves ministerial status. This is an important issue as it determines the person's eligibility for the housing allowance. Additionally, a person who is a minister as established by the above factors is considered self-employed for Social Security purposes. (An eligible minister can also exempt him or herself from Social Security coverage under a very narrow set of guidelines, should they choose.)

### **Benefits/Compensation**

With that background, let's now address the areas of benefits and compensation.

Churches should clearly approach the task of evaluating the pay package and benefits as “cost of the minister” as opposed to “cost of ministry.” These two categories should be kept distinct and separate from each other for proper planning and church budgeting. Separating these two concepts will assure fair evaluation of the minister's pay package and benefits.

All too often churches lump together into a single concept or budget line item the pastor's salary and benefits as well as those professional/ministry expenses related to the work of ministry. When a church gives a minister a “lump sum” from the budget and says, “break it down as you wish,” it has made assumptions that the amount is adequate with little or no evaluation. Often, this “lump sum” approach includes “costs of ministry,” such as business mileage expense and expenses related to conferences, the purchase of certain ministry items that benefit the church, and hospitality expenses. Such ministry expenses should be separated into an administrative area of the budget and evaluated yearly for its adequacy relative to carrying out ministry functions.

The minister's compensation and benefits evaluation is a process separate from the work of ministry (professional and business) expense area and should always include discussion and review of providing the following:

- Fair and adequate pay
- Attention to a portion of the salary designated as a *minister's housing allowance*

- Health insurance coverage
- Pension/retirement benefit
- Vacation and paid time off

In addition, benefits such as life insurance and disability coverages should be considered as finances permit.

In establishing the pastor's compensation package, the committee should evaluate several key areas:

- Suggested salary ranges for churches of similar size and budget. (The *Compensation Handbook for Church Staff* is updated annually by Church Law and Tax Report (704-821-3845) and is a very helpful resource.
- The pastor's job description and the breadth of responsibilities.
- Compensation of professionals and clergy in the geographic area.
- Proper business/ministry expense coverage established independent of compensation.

The guiding question for the committee should be, "Is the compensation structured in a way so as to be fair and attractive, and will it be an inducement for the pastor to stay?"

Before setting the base wage and housing allowance, the board or committee should consider proper coverage of business/ministry expense areas and benefits. By leaving the cash compensation elements to the end of the evaluation, the review of such is more likely to be careful and comprehensive.

It is always appropriate to consider other benefit areas, such as life insurance, disability insurance, and paid time off for such things as preaching or leadership opportunities outside the local church. When considering benefits it is helpful to acquire information from employers in the area in which the church is located. Occasionally churches make a comparison of benefits and compensation packages of local educational personnel.

It is always helpful to obtain outside survey data from churches of similar size and budget. The Board of Pensions of the Church of God (800-844-8983) can help you secure this data.

### **Stumbling Blocks**

There are key areas that often become stumbling blocks for lay leaders. One of the easiest for a board or committee to stumble over is thinking about the pastor's compensation structure in the same way they think of their own situation. This is a real danger; there are significant differences in the pastoral compensation package versus a secular position. Here are three important examples:

**1. Social Security.** Lay leaders who work for a local employer have one-half of their Social Security/Medicare tax paid by their employer under the law. The other half is a required deduction from salary; hence, it is not seen. As a result lay leaders may forget that a minister is considered self-employed for Social Security purposes and must pay 100% of the tax. If this is not carefully considered and a proper offset provided, the minister's pay is negatively impacted.

**2. Business Expenses.** Most secular employers cover the costs employees incur in carrying out their work on behalf of the company. Rarely does a company expect employees to cover work expenses out of their own pockets. When a church provides only a single budget area of dollars for the pastor and expects the pastor to break down the package, including ministry expenses, the process is faulty. It does not enable the board or committee to analyze the components of the compensation package to assure that they are adequate. Expenses should be evaluated and, perhaps, identified in the administrative area of the church budget, away from the compensation area of the budget in order to avoid confusion.

**3. Housing Allowance.** Board and committee members should have a working knowledge of the minister's housing allowance rules in the IRS Code. If the church provides a parsonage, the value of this "free" residence to the minister is not subject to federal income tax. Keep in mind, however, that the parsonage value is subject to Social Security tax. Fewer churches today provide a parsonage and many ministers own their own homes. If this is the case, the church may designate a housing allowance for the minister. It is helpful for the minister to provide a dollar estimate of housing expenses to the board for the coming year for the housing allowance designation. Under the Clergy Housing Allowance Clarification Act of 2002, ministers may claim as housing allowance the least of three thresholds: (1) the amount designated, (2) actual housing expenses, or (3) an amount not to exceed the fair rental market value of the home, fully furnished, plus utility costs. It is the minister's responsibility to keep good records relative to the housing allowance.

Fair and attractive pay plus a good benefit package helps free ministers from financial struggle and allows them to concentrate on ministry. When lay leaders care enough to take the extra time to research proper pay and benefits under these suggested guidelines, the result is most often appreciation by the minister.

The church should pay moving expenses, if at all possible. If handled properly under an accountable expense plan, most costs of moving a pastor can be paid by the church without tax implications to the pastor.

When the pastor is called, and compensation and benefits are structured and agreed upon, the church needs to have in place a consistent process that bridges the changing members of boards and committees. It is recommended that an annual review process of the pastor's performance be made and proper attention be given annually to the compensation package. It is appropriate to provide salary increases based on cost of living adjustments along with merit (i.e. good performance and years of service).

### **Resources**

There are some helpful resources that can assist the church in these areas:

#### ***The Compensation Handbook for Church Staff***

Updated annually, this inexpensive publication provides national survey findings for churches of various sizes and demographics. It can be ordered from: Christian Ministry Resources, P.O. Box 1098, Matthews, NC, 28106.

### ***Church of God Compensation Guidelines***

Updated annually, this is a general guide to stimulate lay-leaders and church board members in their thinking relative to compensation packages for ministers. Contact the Board of Pensions for a current copy (800-844-8983 or e-mail: info@cogpension.org).

### ***Hey Lay Leader ... Let's Talk Some Hard-nosed Business!***

This narrative written by the executive secretary of the Board of Pensions of the Church of God speaks in a heart-felt way from one layperson to other laypersons serving the local church. It addresses our responsibility as lay-leaders to provide for our pastors.

### ***Ministerial Salary Breakdown and Taxes***

Daniel D. Busby publishes annually two helpful guides: *Preparing Your Minister's Tax Return* and *Reporting Procedures for Churches*. These guides, in limited quantities, are made available each year at no cost by the Board of Pensions.

### ***Helpful Web Sites***

[www.cogpension.org](http://www.cogpension.org) (Board of Pensions of the Church of God)

[www.newminister.com](http://www.newminister.com) (Helpful information on clergy issues and taxes)

[www.clonline.com](http://www.clonline.com) (Web site of Christian Ministry Resources)



## Ten Principles In Salary and Benefit Considerations

*A Travel Free Learning Article*

By

Dick Hamm

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Recently I was asked if I had any guidelines regarding how much congregations should pay their pastors. There are many factors, of course, including what part of the country is involved, experience, etc. But there are more subtle factors that should also be considered as well. The following are some principles I have developed over the years.

1. There cannot be too big a difference between what pastors are earning and the average compensation of congregational members, or there will be resentment. Members may feel their pastor is paid way beyond their own incomes. Pastors may be resentful if their income is far below the average member.

2. There should be *some* difference between what the pastor receives and the average income of members, given that the average member probably does not have a minimum of seven or more years invested in education beyond high school.

3. The education level of pastors should be a consideration. Seminary graduates typically spend a lot of money on undergraduate and graduate education. It is not unusual for seminary graduates to finish school with \$80,000 or more in student loan debt. Not only must ministers pay for their education, but they are also not making much, if any, money while they are in college and seminary, even with scholarships or loans they may have received.

The economic impact of not being able to actually begin making a full living until their mid or late 20s is significant; if they go straight through college and seminary it can amount to hundreds of thousands of dollars. The cost is even greater with second career students who are taking time out to go to seminary during the potentially highest earning years of their lives had they remained in secular employment. Obviously, this investment in education is less for ministers who have not attended seminary.

4. The level of responsibility is also a factor. A solo pastor of a congregation is on call 24/7. This responsibility weighs heavily. Every experienced minister can recall times when he/she had to forego family outings or other personal activities, or to return early from a vacation to conduct a funeral or to address pastoral emergencies. Senior pastors typically do not have quite the same level of 24/7 on-call responsibility, but do have the additional responsibilities of supervision and coordination of the work of the staff. These kinds of responsibilities are typically not onerous, but they do require energy and time to manage and fulfill.

5. The level of competence is a factor. Ministers who are not just gifted but also well prepared, highly motivated, and who regularly take initiative should be encouraged financially as well as spiritually and emotionally. Otherwise, they will eventually go somewhere that appreciates them more or they will feel the resentment of being under-appreciated.

6. The cost of living in the community in which the congregation lives is a factor. Ministers serving in major metropolitan areas generally have higher living expenses than those serving in smaller cities, towns or rural areas. Cost of living indices (such as those provided by the US Chamber of Commerce) can be



very helpful in determining relative costs of living. These indices generally give an overall cost-of-living rating (with 1.0 being the national median: more than 1.0 means the cost of living there is more than the national median while less than 1.0 means the cost of living is less than the national median) and an individual rating for items such as housing, food, transportation, etc. Someone moving from California may reasonably expect to make half the dollars in, say, Dothan, Alabama while actually receiving a raise in terms of actual spending value of the dollars received. Of course, moving from Alabama to California means the exact opposite. Check the indices!

7. Self-care is a factor. Ministers who are most effective and who remain most effective take some time for recreation, which carries some financial cost with it. Ministers who can never travel, or never go to a sports event or concert, or who must avoid movies and a reasonable number of meals out, are going to be less productive.

8. Another important measuring stick has to do with how much ministers in similar roles in similar size congregations in similar settings are receiving; both those of your own denomination and those of similar denominations. A simple survey of 5 or 6 congregations can be helpful in this regard.

9. Over time congregations tend not to keep up with inflation, which means that ministers earn less and less in real dollars over the years that they remain in the same congregation. In fact, many otherwise happy ministers end up moving simply because they can't afford to stay at their current church. Regular attention to cost-of-living increases is necessary and merit increases are above this. When the minister does leave or retire, keeping up annually means there will not be a nasty surprise for the congregation when they find out how much they have to increase their budget to attract a new pastor. Sometimes this sticker shock is so great that it sabotages the new minister's work as some members resent how much more he/she is being paid than was paid to beloved brother/sister so-in-so.

10. Be careful about what is called fringe benefits. Continuing education, sabbaticals after five to seven years, book allowances, convention allowances, and car allowances are not benefits in the usual sense of the term: they are costs of doing business for the congregation because you want ministers who are able to continue to sharpen their skills, and to stay appropriately connected to the wider church and their colleagues. Salary, vacation, pension and insurance are more accurately described as benefits, although I believe congregations have a moral responsibility to provide pension funds and medical insurance.

### Important Things to Know



Dick Hamm is a Ministry Colleague with The Columbia Partnership. He is also executive administrator for Christian Churches Together in the USA. His most recent book is ***Recreating the Church: Leadership for the Post-Modern Era***. He is available for speaking and coaching with leaders, congregations, denominations, and parachurch organizations.

The Columbia Partnership is a non-profit Christian ministry organization focused on transforming the capacity of the North American Church to pursue and sustain Christ-centered ministry. Its vision is to engage 2100 congregations in transformation annually by the end of 2017. ***Travel Free Learning*** is a leadership development emphasis of The Columbia Partnership. For more information about products and services check out the web site at [www.TheColumbiaPartnership.org](http://www.TheColumbiaPartnership.org), send an e-mail to [Client.Care@TheColumbiaPartnership.org](mailto:Client.Care@TheColumbiaPartnership.org), or call 803.622.0923.

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## **FACTORS IN DETERMINING PASTORAL SALARIES**

1. The median income of your county. (Half the people will make more and half will make less than this amount.) This figure will be available at the local library or county government offices.
2. Investigate the pay scale of your school district. The beginning salary, the steps in the scale and the education and longevity factors will be included. This is public information and should be available to you.
3. Survey six to eight churches in our movement which are of similar size and have similar responsibilities.
4. A congregation must always take into account the needs of the pastor and his family. These needs are often very different among pastors and are certainly different from lay leaders.
5. A responsible leadership will also consider carefully the ability of the congregation to pay. The size of the congregation, the nature of the constituency and the lifestyle of the people do enter into the picture.
6. Concerns such as competency, productivity, work load, education and length of service are legitimate components in weighing the above factors.

## VACATION POLICY

The following is an excerpt from THE MINISTER'S SALARY, by O. Wayne Dickinson, who at the time of writing was the Associate Secretary of the Church of God in Michigan. He is currently the Executive Secretary of the Indiana Assembly.

### VACATION SCHEDULE

Churches often call ministers who have some previous pastoral experience. It is therefore reasonable that a minister expects the "calling" church to acknowledge the previous experience and assume some responsibility for it in terms of vacation.

It would be proper to place a ½ value upon prior years of experience and full value on experience with the current or "calling" church.

Example: A minister has 18 years experience prior to accepting a call to the present church. The 18 years would have ½ or 9 years of vacation value with the current church. After serving 5 years with the current church the vacation value would be 14 years.

Vacation value experience from 1 to 5 years equals 2 weeks vacation, and 6 to 12 years equals 3 weeks, 13 to 20 years equals 4 weeks vacation, and over 20 years experience equals 5 weeks vacation.

Prior years vacation value is earned only on regular full-time ministry service.

## Housing for Your Pastor: Parsonage or Housing Allowance?

"Should we continue to provide a parsonage and utilities or should we change to a cash housing allowance and let our pastor buy his own home?"

This difficult question is asked often out of genuine concern for the pastor's dilemma at retirement, when he or she has no savings built up for a retirement home. The question becomes even more difficult to answer with the shift in the nation's economy and in each local economic situation. While there is no absolute, authoritative answer, the following list of advantages and disadvantages, which have become apparent to pastors and churches through actual experience, is offered to stimulate careful thinking and evaluation.

### Pro Parsonage and Con Housing Allowance:

1. In some situations, there really is little choice. The parsonage may be connected to or adjoining the church building with no alternative for selling or renting. Unless used for Sunday School rooms, it remains the pastor's home.
2. Churches owning a parsonage may strengthen their ability to attract the pastoral candidate of their choice who may be unable or unwilling to buy a home.
3. In some areas, no property taxes are due on church-owned parsonages, which may mean less expense.
4. The church handles repairs and maintenance on the parsonage, thus freeing the minister from these time-consuming worries and expenses.
5. Often a parsonage is nicer than what a minister could afford to buy in the community.
6. Making a pastoral change is easier when moving from parsonage to parsonage, since securing temporary quarters is unnecessary for house hunting or waiting for occupancy.
7. When the parsonage is sold, the church loses a traditional and meaningful way of showing love and concern for the parsonage family.
8. Many ministers do not have sufficient funds for a down payment on a home.
9. The church that enters the loan business to "give" the pastor the down payment often bears the cost of low interest and little or no payment on the principal. There may be tax implications as well. State nonprofit corporation laws must be followed carefully. Some states may even prohibit such loans.
10. The loan situation is hopefully trouble-free, but awkward situations could develop.
11. Many homes appropriate for ministers' needs are out of their price range.
12. Very often the church cannot afford a housing allowance that fully covers all expenses including real estate taxes, fire and casualty insurance, upkeep, etc. It takes constant review and appropriate board action to keep pace with these inflationary costs.
13. In some locations, real estate can move slowly, if at all. Adequate housing may not be available for purchase when needed. Likewise, a home may not sell when it comes time for a pastoral change.
14. If the minister purchases the parsonage, any difference between purchase price and appraised value may be considered as taxable income.
15. Appreciation of property is assumed, but depreciation can be a reality due to natural and man-made disasters or economic conditions. Homes do not always sell at a profit. This is not a concern for the minister in a parsonage.

## Pro Housing Allowance and Con Parsonage:

1. A housing allowance may solve the problem of having to build a new parsonage at today's costs, while at the same time help the pastor plan for retirement.
2. With a housing allowance, compensation planning may be more flexible, easier to compare, and simpler to budget.
3. Home ownership suggests permanency and may encourage longer pastorates.
4. A homeowner pays real estate taxes, thus having more voice in community affairs.
5. A minister buying a home gets to choose the kind, style, and location.
6. The minister's family may decorate as they wish - even remodel - without board action.
7. Home ownership becomes an important investment for the future, assuming each property appreciates in value and appropriate equity is established. This growing "earned equity" is portable as the minister relocates, allowing full proceeds to be taken to a new location.
8. Home-owning ministers get a double tax break. Within certain limits, the housing allowance used to provide and furnish a home is nontaxable income. In addition, mortgage interest and property taxes are deductible as itemized deductions. (See **"Who is a Minister for Tax Purposes?"** in the Servant Solutions' Treasurer's Toolbox to see who qualifies for this double tax break.)
9. A homeowner can sell a principal residence and may not be required to pay any tax on up to \$500,000 of profit. The exclusion can be used as frequently as every two years. To be eligible, the homeowner must have owned and occupied the home as a primary residence for at least two of the five years before the sale. (See [IRS Publication 523](#) for details.)
10. In the event of disability, death, or retirement, home ownership with adequate insurance generally means an immediate move is unnecessary.

## Tax Implications

In addition to the above considerations the local church board should insist that tax implications be explored thoroughly before any decision is made. The following examples represent possible concerns:

- a. Extra care should be taken when a parsonage is to be given or sold to a minister at a value below the fair market value. The church may contend this is a "gift" and is not compensation. However, it is likely this would be challenged by the IRS, forcing the minister to pay taxes on the value of the "gift" or take the issue to a tax court.
- b. Where the church does make such a considerable "gift" to their minister without reporting it as compensation, the church may be jeopardizing or calling into question its tax-exempt status. In order to have such status, the assets of the corporation cannot accrue to the personal benefit of an individual other than as reportable compensation. Tax exempt organizations also must be careful that they are not paying "unreasonable" compensation to employees.
- c. Another concern involves the sale or rental of the parsonage. The church can be subject to taxation when it receives "unrelated business income." This possible interpretation of the tax laws should not go unexplored before a final decision is made.

## Another Alternative

The above lists are not intended to be exhaustive. Hopefully, they will stimulate thinking in this complex area. Many statements are similar but have opposite impact when phrased from a different perspective.

Churches with strong financial resources may have no difficulty if they decide to sell their parsonage and provide a cash housing allowance. However, such a decision should be preceded by careful evaluation and in consultation with the church board, pastor, and tax advisor.

The church board that does not allow its minister to purchase his/her own home, but does provide an adequate parsonage and an allowance for parsonage furniture, etc., is still without an answer for their concern about the pastor's future retirement need. But, there is another alternative if the original question is rephrased, "How can we provide the pastor with an adequate salary now and an adequate retirement without selling the parsonage?"

This question can be answered much more easily. A local church may provide an equity allowance for their pastor by contributing additional amounts into the Servant Solutions Retirement Plan in the pastor's name.

## Equity Allowance

- The church can contribute and tax-shelter this compensation.
- Interest or gain can be realized on contributions without incurring an immediate tax liability. No tax liability is incurred until funds are withdrawn by the participant.
- Withdrawals at retirement often are at a reduced tax rate or as a minister's tax-free "housing allowance."
- Numerous withdrawal options allow for maximum flexibility in retirement planning.

### ***Disclaimer***

The information contained in this Toolbox Series is of a general nature. It is not offered as specific legal or tax "advice." Each person and local church board should evaluate their own unique situation in consultation with their local legal and tax advisors.

Last updated 2-15-18

## Strategies for Structuring Ministerial Compensation

A review of the patterns of ministerial compensation over several decades would indicate that significant changes have taken place. Gone are the days when the majority of ministers received a large portion of their compensation in the form of food and clothing supplied by members of the congregation. The implications of the 1986 Tax Reform Act and subsequent IRS regulations also have made an impact.

### The Impact of the 1986 Tax Reform Act

The 1986 Tax Reform Act had the most significant effect on tax law since its previous major overhaul in 1954. Along with many other things for which it is blamed, the Act's revisions made it much more difficult for ministers to avoid paying income taxes on unreimbursed business expenses. For example, unreimbursed automobile expenses cannot be deducted dollar for dollar from compensation, but must be deducted as a part of itemized deductions on Schedule A. With a high standard deduction allowance, many parsonage families find it impossible to itemize deductions. The result is the payment of more income tax for those ministers who cannot deduct unreimbursed automobile expenses.

The same problem applies to many of the business and professional expenses which a minister incurs in the exercise of ministry. In addition to the high standard deduction allowance, these expenses must also exceed 2 percent of the adjusted gross income reported on the federal tax return. Furthermore, entertainment expenses are only 50 percent deductible if not reimbursed.

Such regulations have caused many ministers to reevaluate the structuring of their compensation.

### IRS Regulations for Business Expense Reimbursements

Requirements for business expense reimbursements are based on IRS Regulation 1.62-2(d)(3). These requirements apply to *every* church and affect *all* employees. They are not optional - they must be followed, or the church employee may pay significantly greater amounts of unnecessary taxes.

**The IRS Regulations** require that business reimbursements be included on Form W-2 as taxable income to the individual *unless* paid through an "accountable reimbursement plan" which has been "formally" adopted by the church board. The requirements for the accountable reimbursement plan are three-fold:

1. The church may reimburse only those business expenses that an employee substantiates within 60 days of the expenditure with receipts and/or in writing as to the date, amount, place, and business nature.
2. The employee must return any "excess" reimbursements (i.e., unused expense advances) within 120 days of the expenditure. The excess reimbursement may not be treated as a bonus or gift.
3. Any advance must be made within 30 days of when the expense is paid or incurred.

**Form W-2 income** cannot simply be reduced "after the fact." In other words, the IRS will not allow reimbursements to be paid through a retroactive reduction of salary. For reimbursements to be paid and qualify under an accountable reimbursement plan, properly substantiated expense

reimbursements must be paid separately from the employee's salary. The salary amount and the accountable reimbursement plan must be established in advance of payment. If the church establishes a dollar limit on the expense plan (instead of reimbursing 100% of expenses), any balance remaining in the expense plan at year-end should remain with the church. If the balance is paid to the employee, all other plan payments made to the employee during the year become reportable as taxable income on Form W-2.

### **The Cost of a Minister vs. the Cost of a Ministry**

For too long, churches and ministers have lumped together into a single concept the "cost of a minister" and the "cost of a ministry." These are actually two distinct concepts. For proper planning and church budgeting, they must be kept separate.

The "cost of a ministry" includes those costs related to the work of the minister and are properly a part of local church expenses. Among these are the expenditures that will be incurred without regard to which minister is serving the congregation at a particular time.

On the other hand, the "cost of a minister" relates to those items that are directly and indirectly related to compensating the particular minister serving the church at the current time. These expenses include the general categories of employee benefits and actual salary.

The *least* advantageous way for a minister to be paid is to be given a lump sum amount out of which the minister must provide for professional expenses, employee benefits, and cash salary. Unfortunately, in most situations where these are lumped together, both the local church and the minister assume that the total amount of the "package" is compensation. In reality, part is for the "cost of a ministry" and part is for the "cost of a minister."

### **What is the Cost of a Ministry?**

The following list includes business and professional expenses that are identified with the "cost of a ministry." They should be recognized and budgeted as local church expenses, *not* compensation.

When the minister is expected to pay for these items out of the amount provided in the church's "package," it will result in the parsonage family paying higher taxes on money they used to operate the local church's ministry. However, when these items are "reimbursed" through an accountable reimbursement plan (even if it means dividing the minister's previous "package" into two distinct amounts), it usually will result in lower taxes, a more accurate reflection of the minister's real compensation, and a simpler tax return to file.

The cost of maintaining a ministry includes the following business and professional expense reimbursements:

- Automobile
- Continuing education
- Conventions/assemblies
- Hospitality
- Pastor's professional library
- Dues to professional organizations
- Church supplies (birthday cards, postage, etc.)



## What is the Cost of a Minister?

The "cost of a minister" is made up of appropriate employee benefits, provision for housing, and the actual cash salary paid.

Some of the items related to these are not discretionary since the minister and family have no choice as to how the money is spent. Items of a nondiscretionary nature include most of the employee benefits listed below. The list includes the type of basic employee benefits that should be provided in a well-balanced compensation plan:

- Social Security
- Tax-sheltered annuity (retirement)
- Health insurance
- Dental insurance
- Group term life insurance
- Long-term disability insurance
- Accidental death & dismemberment insurance
- Cash bonuses
- Paid holidays
- Vacation

The "cost of a minister" also includes the provision for housing: a cash housing allowance, a parsonage plus utilities, or a combination of the two. Many churches provide a parsonage and utilities. Therefore, in most cases, the minister has no discretion as to how that part of compensation will be spent. The minister cannot voluntarily choose to live in a less expensive home and thereby free up income to cover other personal needs. Also, the minister cannot build equity for retirement housing. The church board should recognize that when the minister leaves the church, a significant portion of the compensation that has been "paid" is left behind in the form of the parsonage. Fortunately, many churches are now recognizing their obligation to assist the minister in preparing for retirement housing by depositing monthly amounts into the minister's retirement fund on a tax-advantaged basis. This is an essential part of the compensation package. For more information on a minister's housing, see ["Housing for Your Pastor: Parsonage or Housing Allowance?"](#) in the Servant Solutions' Treasurer's Toolbox and ["The Minister's Housing Allowance"](#) in both the Servant Solutions' Minister's and Treasurer's Toolboxes.

The remaining item in the "cost of a minister" is the cash salary. This is the amount the minister and family use to meet living expenses and with which they have some discretion in spending. Among the factors many church boards consider when determining their minister's cash salary are: job requirements, professional qualifications, educational background, personal experience and expertise, socioeconomic factors affecting the pay scale in the local community, and such subjective factors as merit pay for a job well done. Cost of living adjustments should be considered in each annual salary review of all church employees.

## Structuring Ministerial Compensation

Ministers and churches are realizing the need to differentiate between the "cost of having a ministry" and the "cost of compensating a minister." More and more churches are recognizing that their "package" approach does not provide nearly as much true cash salary as they had thought. They are making efforts to reimburse compensation above the "package" amount for business and professional expenses.

Other churches are financially unable to increase compensation above the amount committed to their "package." However, they can still help the minister by differentiating between these two kinds of

costs and by allowing the minister to re-categorize the total amount provided by the church into these distinct expense categories. The result of this restructuring costs the church no additional funds, but provides a legitimate opportunity for the minister to reduce the potential impact of taxes. For more information see "[Minimizing Income Taxes for Church Employees](#)" and "[Auto and Other Business Expense Reimbursements](#)" in both the Servant Solutions' Treasurer's and Minister's Toolboxes.

## Additional Resources Suggested by Servant Solutions

This is such an important area in the life of the church. Servant Solutions suggests the following resources which can help church leaders and the minister in the area of compensation planning and proper benefits.

### "The Compensation Handbook for Church Staff"

Updated annually, this outstanding publication provides national survey findings for churches of various sizes and demographics. It can be ordered from:

[www.churchlawandtax.com](http://www.churchlawandtax.com) or call (800) 222-1840

### "Compensation Planning"

Updated annually, this is a general guide to stimulate lay-leaders and church board members in their thinking relative to compensation packages for ministers.

Contact Servant Solutions: (800) 844-8983 or (765) 642-3880  
email: [info@servantsolutions.org](mailto:info@servantsolutions.org)

It's also on our website: [servantsolutions.org](http://servantsolutions.org)

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## Minimizing Income Taxes for Church Employees

One of the many responsibilities church boards face is that of minimizing income taxes for their church employees by appropriately structuring their compensation packages. IRS tax rulings not only make this possible but also make it very important. Unfortunately, some church employees pay additional income taxes simply because of the way their church employer has structured their salary. Changing IRS regulations and current rulings make it all the more important for church boards to periodically review the salary structure of all their employees.

This review is also important from the standpoint that IRS procedures require the church employer to issue annual Wage and Tax Statements, Form W-2, to *all* church employees, both lay and ministerial. The church treasurer's bookkeeping accounts should be set up to carefully reflect the amounts that should and should not be reported on the annual Form W-2. (See ["Tax and Reporting Procedures for Congregations"](#) in the Servant Solutions' Treasurer's Toolbox)

### Tax-Free Employee Benefits

In addition to "cash" salary an employee usually receives some benefits that are paid for by the employer. Many of these benefits are "tax-free" to the employee if paid directly by the employer (not reimbursed). Unfortunately, some church employees pay for these "benefits" out of their pocket with after-tax dollars and therefore lose a legitimate tax advantage simply because of the manner of payment. Some examples of employee benefits which may be provided by the employer on a tax-free basis include: group health insurance, dental insurance, group term life insurance, the Servant Solutions Retirement Plan, disability insurance, and accidental death and dismemberment insurance.

### Business Transportation, Travel, and Related Expenses

Most church employees incur business transportation and travel expenses in the course of conducting the ministry of the local church. Many churches are careful to reimburse their employees *in full* for these expenses. In recognition of the fact that these are business expenses and not personal expenses, the IRS allows these reimbursements to be provided tax-free to the employee if they are paid through an "accountable reimbursement plan." Unfortunately, sometimes reimbursements are insufficient to cover actual expenses. In such cases, employees find themselves paying out of their own salary what is recognized as a local church operating expense. However, careful planning can ensure that the salaries of your church employees are actually theirs to spend.

In the past an employee used Form 2106 to deduct *unreimbursed* expenses from income taxes. However, the Tax Reform Act of 1986 changed the procedures for using Form 2106 to the extent that many employees may not be able to claim the deductions. This makes it even more important that all business transportation, travel, and related expenses be fully reimbursed. Full reimbursement for automobile mileage should be either on a dollar-for-dollar basis for business expenses incurred or on a cents-per-mile basis at the standard mileage rate. It is necessary to maintain accurate records of business mileage and/or expenses. However, instead of using the records to support a deduction on tax forms, they should be supplied to the church treasurer as substantiation for the reimbursements. (See also ["Auto and Other Business Expense Reimbursements"](#) in the Servant Solutions' Treasurer's and Minister's Toolboxes)

## Other Business and Professional Expenses

Church employees incur not only business transportation and travel expenses, but often they sustain other business expenses along with "professional" expenses in the course of their ministry. Examples of such items include: business-related entertainment, professional books and magazines, memberships and dues in professional organizations, stationery and supplies, and other ministry expenses. Normally, the church board recognizes these are necessary for the ongoing work of the church and as such they are viewed as local church expenses. The employee should be reimbursed in full for such expenses. If the reimbursements are paid properly through an accountable reimbursement plan, the IRS recognizes them as tax-free. When a church employee incurs this type of expense and is not reimbursed in full, the situation becomes a bit more complicated.

At one time the ministerial employee used IRS Schedule C to report the income and expenses related to the work as a local church employee. By this means, all of his/her unreimbursed business and professional expenses were exempted, dollar for dollar, from the "salary" and, therefore, from income tax. In this situation, the ministerial employee, while having to pay the expense out of his or her own pocket, at least did not need to suffer a tax loss. But the IRS has eliminated the use of Schedule C by the ministerial employee in relation to church salary; therefore, both the ministerial employee and the lay employee suffer when they incur unreimbursed business and professional expenses.

The ministerial or lay employee may be able to treat a portion of the unreimbursed business and professional expense (if proper substantiation is provided) as a tax deduction. As such, it would be claimed on Schedule A, Itemized Deductions, when the annual tax return is filed. By using this means, some employees may be able to deduct a portion of their expenses, but many will lose the tax break. This is because to claim these items as deductions, the expenses must exceed two percent of adjusted gross income and the individual employee must file an itemized return and have more deductions than the standard deduction. If all itemized deductions do not exceed the standard deduction, the unreimbursed business and professional expenses will simply be absorbed and lost in the standard deduction amount. The Tax Act of 1993 limited the deductibility of many entertainment expenses to 50 percent of value. Therefore, 50 percent of these types of unreimbursed business expenses cannot be deducted even if all other conditions are met.

Whether the unreimbursed business expenses are taken as a tax deduction or are lost in the standard deduction amount for income tax purposes, there still remains the question of Social Security/Medicare taxes. Either way, the ministerial employee could avoid self-employment taxes (SECA-Social Security/Medicare taxes) on the total of unreimbursed business expenses, since many of those expenses remain exempt from SECA taxes. However, the lay employee would not be able to recover any FICA taxes withheld nor would the church be able to recover their portion of FICA taxes paid.

## The Accountable Reimbursement Plan

Requirements for business expense reimbursements are based on IRS Regulation 1.62-2(d)(3). These requirements apply to every church and affect all employees. They are not optional - they must be followed, or the church employee may pay significantly greater amounts of unnecessary taxes.

**IRS regulations** require that business reimbursements be included on Form W-2 as taxable income to the individual **unless** paid through an "accountable reimbursement plan" that has been "formally" adopted by the church board. The requirements for the accountable reimbursement plan are three-fold:

1. The church may reimburse only those business expenses that an employee substantiates within 60 days of the expenditure with receipts and/or in writing as to the date, amount, place, and business nature.
2. The employee must return any "excess" reimbursements (i.e., unused expense advances) within 120 days of the expenditure. The excess reimbursement may not be treated as a bonus or gift.
3. Any advance must be made within 30 days of when the expense is paid or incurred.

**Form W-2 income** cannot simply be reduced "after the fact." In other words, the IRS will not allow the reimbursements to be paid through a retroactive reduction of salary. In order for reimbursements to be paid and qualify under an accountable reimbursement plan, properly substantiated expense reimbursements must be paid separately from the employee's salary. The salary amount and the accountable reimbursement plan must be established in advance of payment. If the church establishes a dollar limit on the expense plan (instead of reimbursing 100% of expenses), any balance remaining in the expense plan at year-end should remain with the church. The payment of the balance to the employee makes all payments made to the employee under the plan during the year reportable as taxable income on Form W-2.

### What the Church Could Do

Obviously, most churches will want to make sure that church employees are fully reimbursed for all business-related expenses through an accountable reimbursement plan, since the IRS recognizes these reimbursements as nontaxable to the employee for income tax and Social Security/Medicare tax purposes. When this is done, the employee's "salary" can remain whole.

If a church finds that it simply cannot afford to reimburse all the business-related expenses its employees incur, it can still attempt to minimize the income tax for them. The church board may wish to consider the following plan:

1. The church board will want to consider how many of these expenses it can begin to fully reimburse now through a board-adopted accountable reimbursement plan. (It will also want to develop a plan whereby it can begin reimbursing any remaining expenses as soon as possible.)
2. The church board, in working with the church employee, will want to determine how much of the present salary is actually being spent for unreimbursed business-related expenses. Together they can arrive at a new "salary" figure that truly reflects actual cash compensation the church board is paying to the individual.
3. The difference between the two figures (that is, the amount being paid out of personal salary for unreimbursed expenses) should now be designated in the budget for the reimbursement of these expenses.
4. The newly determined actual salary to be paid weekly or monthly in regular amounts should be recognized in a separate action by the board. It would be reported on Form 941. The salary would not be adjusted "after the fact" to reflect local church expenses. (See "**Tax and Reporting Procedures for Congregations**" in the Servant Solutions' Treasurer's Toolbox)
5. A portion of the business expense reimbursement amount would be advanced to the employee (e.g., \$100 or \$200) as a business expense petty cash fund. As the employee incurs business-related expenses, receipts and/or mileage statements would be kept to be turned in to the treasurer. When they are turned in, the amounts are refunded to the employee's business expense petty cash fund, bringing it back up to the original advance amount. Ultimately, any unused portion of the advance needs to be returned to the church employer.

By following these procedures the actual salary is clearly separated from the business expense reimbursements which do not need to be reported on Form W-2. The employee does not need to

worry about deducting these business expenses or substantiating them on his or her annual tax return. Since the amount is not reported as income nor deducted on the tax return, the return is greatly simplified and less likely to be audited. If the return is audited, there will generally be no complicated justification of business expenses since they were substantiated to the treasurer (when they were reimbursed) with receipts and/or mileage statements according to IRS regulations.

### **Summary**

In minimizing taxes for all church employees, proper handling of tax-free employee benefits and reimbursements for business transportation/travel and other business and professional expenses is vital. However, these require careful planning and proper board action. Specific guidelines and accounting standards are available from the IRS ([www.irs.gov](http://www.irs.gov) or 800-TAX-FORM).

Those employee benefits that can be considered tax-free should be paid directly by the church and not reimbursed.

All business transportation/travel and all other business and professional expenses should be reimbursed in full to each employee through an accountable reimbursement plan adopted by the board which results in the proper substantiation to the church of all business and professional expense reimbursements.

While Servant Solutions cannot offer legal or tax "advice," your comments and questions are welcomed. Please feel free to contact us if we may serve you in any way.

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# Auto and Other Business Expense Reimbursements

## Importance of Full Reimbursement

Tax rules make it very important for churches to provide ministers with full reimbursement of business transportation, travel, and other business and professional expenses. Any unreimbursed expenses deducted from federal income taxes may be lost since they are deductible only to the extent they exceed 2 percent of Adjusted Gross Income (AGI) and to the extent that all itemized deductions on Schedule A exceed the Standard Deduction. Also, the IRS states deductions may be made only for those expenses an employer *specifically refuses* to reimburse. If a minister is entitled to an expense reimbursement but does not request it, a deduction for unreimbursed business expenses may not be taken.

Furthermore, ministers may not deduct unreimbursed business expenses to the extent that they are allocable to a tax-exempt housing allowance. Many ministers with nonaccountable expense reimbursement plans are not allocating business expenses under this concept and therefore are underpaying their income taxes. The allocated expenses are still deductible for Social Security (SECA) tax purposes.

The use of an accountable expense reimbursement plan is the best solution for ministers and other church employees.

## IRS Regulations

Requirements for business expense reimbursements are based on IRS Regulation 1.62-2(d)(3). These requirements apply to every church and affect all employees. They are not optional - they must be followed, or the church employee may pay significantly greater amounts of unnecessary taxes.

**The IRS regulations** require that business reimbursements be included on Form W-2 as taxable income to the individual *unless* paid through an "accountable reimbursement plan" which has been "formally" adopted by the church board. The requirements for the accountable reimbursement plan are three-fold:

- 1) The church may reimburse only those business expenses that an employee substantiates within 60 days of the expenditure with receipts and/or in writing as to the date, amount, place, and business nature.
- 2) The employee must return any "excess" reimbursements (i.e., unused expense advances) within 120 days of the expenditure. The excess reimbursement may not be treated as a bonus or gift.
- 3) Any advance must be made within 30 days of when the expense is paid or incurred.

**Form W-2 income** cannot simply be reduced "after the fact." In other words, the IRS will not allow reimbursements to be paid through a retroactive reduction of salary. In order for reimbursements to be paid and qualify under an accountable reimbursement plan, properly substantiated expense reimbursements must be paid separately from the employee's salary. The salary amount and the accountable reimbursement plan must be established in advance of payment. If the church establishes a dollar limit on the expense plan (instead of reimbursing 100% of expenses), any balance remaining in the expense plan at year-end should remain with the church. The payment of the balance to the employee makes *all* payments made to the employee under the plan during the year reportable as taxable income on Form W-2.



## Transportation, Travel, and Other Business and Professional Expenses

Most church employees incur business transportation and travel expenses while conducting the ministry of the local church. Many churches are careful to reimburse their employees *in full* for these expenses, properly recognizing them as local church operating expenses.

Often, church employees also incur business and professional expenses in their ministry. Examples include: business-related entertainment, professional books and magazines, memberships and dues in professional organizations, stationery and supplies, and other ministry expenses. Normally, the church board recognizes these as necessary for the work of the church and views them as local church expenses. The employee should be reimbursed in full. If these expenses are paid properly through an accountable reimbursement plan, the IRS says they are not reportable as income.

For example, reimbursable phone expenses may include long-distance calls, a second phone line, special equipment, and services such as call-waiting if there is a business relationship. Basic local service charges (including taxes) for the first line in the home are not considered a business expense.

Another example is entertainment expenses for church business. Only 50 percent of meals and entertainment as a business expense is deductible on Form 2106 (or Form 2106-EZ) and Schedule A. However, if the business meals and entertainment are presented to the church with proper documentation under an accountable reimbursement plan, then 100 percent may be reimbursed. This illustrates how important it is for every church employee to utilize an accountable reimbursement plan.

Likewise, qualifying educational expenses may be reimbursed *in full* under an accountable reimbursement plan. Typical expenses include tuition, books, supplies, transportation away from your hometown, meals, lodging (if necessary to be away from home overnight to attend classes), and correspondence courses. Qualifying educational expenses are those incurred to meet the requirements of your church to keep your present position, or to maintain or improve skills in your present employment. Expenses do not qualify, even though these requirements are met, if the education is required for you to meet the minimum educational requirements of your occupation, or part of a program of study that will qualify you for a new occupation. For example, a minister who has not been gainfully employed as a minister will not be able to count his or her seminary education. However, a pastor who is obtaining additional education likely will qualify. You must not be absent from your profession for more than a year. The IRS considers it a career change if you work a secular job for more than a year while obtaining additional education. Also, travel costs claimed as a "form of education" (i.e., a trip to the Holy Land) do not qualify. However, enrollment in a formal course of study overseas may qualify.

### The Automobile "Allowance" Method

Probably the largest business expense for a minister is the auto expense. Some churches continue to provide a nonaccountable "car allowance." However, the IRS says such nonaccountable "allowances" are to be reported as income on Form W-2. The ministerial employee *may or may not* benefit by using Form 2106 (or Form 2106-EZ) to document the expenses and the "allowance" paid, thereby deducting the unreimbursed expenses as itemized deductions on Schedule A. Such an "allowance" method provides no dependable tax benefits.



## The Automobile Reimbursement Method

A good plan is for the church board to adopt an accountable reimbursement plan and include auto expense reimbursement on a business mileage basis. Actual auto expenses may be reimbursed. However, the simplicity of using the Standard Mileage Rate is compelling.

If the minister accounts to the church for all business miles and is reimbursed at the Standard Mileage Rate, the reimbursement is not included as income on Form W-2. Records providing evidence for business miles are provided to the church treasurer to support the reimbursement. The IRS can supply details about accounting and record keeping for reimbursements ([www.irs.gov](http://www.irs.gov) or 800-TAX-FORM).

Employees who are reimbursed the Standard Mileage Rate or less per mile are not required to make any report on their tax return unless they want to try to deduct business auto expenses not fully reimbursed.

If the reimbursement exceeds the Standard Mileage Rate, then the entire amount of the reimbursement should appear on Form W-2 as taxable income. This means any tax benefit may be lost under the deductibility rules mentioned earlier. (You may want to request a copy of IRS Publication 463 "Travel, Entertainment, Gift, and Car Expenses" for more details.)

The simplest method to handle auto expenses is to receive full reimbursement at the Standard Mileage Rate allowed by the IRS for all business miles.

## The Church-Owned Automobile

Some churches provide some or all of their staff with the use of a church-owned vehicle. When an employee uses a church-owned vehicle for both business and personal use, certain procedures are required for tax purposes. (Note: Personal use generally includes commuting between home and the church.)

The employee must keep adequate records of the business use miles for which the church-owned car is driven. The records should indicate date, purpose, destination, and miles for all business transportation/travel. It is not enough to just keep personal use miles. The total miles the car is driven during the year should be determined based on odometer readings at the beginning and end of the year. Total miles driven, less business miles, provides the personal miles on which to determine personal use value.

If the employee fully reimburses the employer for the "value" of the personal use of the vehicle, then no "value" would be reported as taxable income on Form W-2. Otherwise, the "value" of personal use of a church-owned vehicle *is a taxable benefit to the employee* and must be included on an employee's Form W-2. Income tax is not required to be withheld for lay employees as long as the employer advises all employees that no withholding will be done for the "value" of the benefit. Notification must be made by January 1 of the year in which no withholding will be done. FICA Social Security taxes must be withheld on the full amount of the "value added" for each affected staff member who is not ordained or licensed.

The "value" of the availability of a church-owned vehicle to be added to Form W-2 (or reimbursed to the employer by the employee) is the *cost to the employee* of renting or leasing a *comparable vehicle*. The IRS has standard tables which determine the Annual Lease Value of a vehicle based on the vehicle's Fair Market Value. The "value" of the fuel used is another benefit that must be added if the church pays for all the fuel. An employer should contact the IRS ([www.irs.gov](http://www.irs.gov) or 800-TAX-FORM) and request the most recent information when determining these values for tax and income reporting purposes (IRS Publication 535 "Business Expenses").

Likewise, the church board and staff of any church providing vehicles to employees for both personal and business use will want to work closely with their personal tax advisors to make certain the "value" of the benefit is determined and reported properly.

### **Documentation of Mileage**

Regardless of the method in which auto expenses are handled, accurate and detailed written records are essential to document the following: the amount of expense and/or mileage, the time and place of transportation/travel, and the business purpose. The taxpayer is required to have "adequate records" or "sufficient evidence" to support the taxpayer's own statement. The best method is to keep a detailed daily log.

### **Depreciation Restrictions**

Rules governing depreciation deductions for automobiles continue to change. Certain transition rules may be applicable to some situations. If you are using depreciation under the actual expense auto deduction rules, work closely with your personal tax advisor.

### **Conclusion**

All business and professional expenses should be reimbursed in full to each employee through an accountable reimbursement plan adopted by the church board which results in the proper substantiation to the church of all reimbursements. This method is the easiest for the church and employee to use with regard to record keeping and tax forms. It is the least costly in taxes. And, it is an IRS approved method.

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## Who is a Minister for Tax Purposes?

*"Who is a ministerial employee for tax purposes?"* The answer is significant because it affects how an individual reports compensation and pays taxes. Perhaps the greatest single issue this affects is how to report the value of housing provided and/or the amount of housing allowance paid. (See ["Housing for Your Pastor: Parsonage or Housing Allowance?"](#); ["Tax and Reporting Procedures for Congregations"](#); and ["The Minister's Housing Allowance"](#) in both the Servant Solutions' Minister's and Treasurer's Toolboxes)

The Church has several different classifications of ministry designations. They are separated on the basis of one or more of the following criteria: experience, training, and calling. Likewise, the United States government has tax laws especially applicable to "ministers." However, not everyone who might be recognized as a "minister" by the Church would be considered as such by the tax laws.

It is the responsibility of the ministerial employee, as well as the church employer, to comply properly with such laws and regulations. The question "Who is a minister *for tax purposes*?" then is significant. To answer this question, answers are needed to related questions such as: Who do the IRS and Tax Courts consider to be a minister? To whom does the Church give authority to perform these "recognized" duties of a minister?

### The IRS Definition

The Internal Revenue Service uses the term "Minister of the Gospel" and, in the Income Tax Regulations, elaborates that a minister is one who is "duly ordained, licensed, or commissioned" *and* who performs service in the exercise of his or her ministry. This includes the ministration of sacerdotal functions, the conduct of religious worship, and the control, conduct, and maintenance of religious organizations (including integral agencies) under the authority of a church denomination. According to Income Tax Regulations, "the following rules are applicable in determining whether services performed by a minister are performed in the exercise of his or her ministry" and whether his or her activity and role are recognized as that of a minister by the IRS:

- i. Whether service performed by a minister constitutes the conduct of religious worship or the ministration of sacerdotal functions depends on the tenets and practices of the particular religious body constituting his church or church denomination.
- ii. Service performed by a minister in the control, conduct, and maintenance of a religious organization relates to directing, managing, or promoting the activities of such organization.
- iii. If a minister is performing service in the conduct of religious worship or the ministration of sacerdotal functions, such service is in the exercise of his ministry whether or not it is performed for a religious organization.
- iv. If a minister is performing service for an organization which is operated as an integral agency of a religious organization under the authority of a religious body constituting a church or church denomination, all service performed by the minister in the conduct of religious worship, in the ministration of sacerdotal functions, or in the control, conduct, and maintenance of such organization is in the exercise of his ministry. (For example, an "integral agency" would be any denomination's approved universities/colleges; seminaries; state, district, and the national agencies.)
- v. If a minister, pursuant to an assignment or designation by a religious body constituting his church, performs service for an organization which is neither a religious organization nor operated as an integral agency of a religious organization, all service performed by him or her, even though such service may not involve the conduct of religious worship or the ministration of sacerdotal functions, is in the exercise of his/her ministry.

## Ministerial Classifications

### The Licensed Minister

The licensed minister is one who has been granted a ministerial license by the state or district assembly. The licensed minister is to have completed at least one year of the course of study. The licensed minister who is preparing for ordination is vested with the authority of preaching the gospel, administering the sacraments in his or her own congregation, and officiating at marriages where state law allows. The licensed minister who is preparing for ordination is vested with the authority of using his or her gifts in various associate ministries, administering the sacraments and, on occasion, conducting worship and preaching.

### The Ordained Minister

The ordained minister is one who has been ordained to that order, has completed the course of study, and has completed a specified period of assigned ministry. The ordained minister acknowledges a specific call to lifetime ministry. The ordained minister has the authority to administer the sacraments and to conduct worship and to preach.

## How the Courts Have Ruled

Court action in 1989 established five factors when determining whether one is a minister for tax purposes.

1. Does the individual administer the sacraments?
2. Does the individual conduct worship services?
3. Does the individual perform services in the "control, conduct, or maintenance of a religious organization" under the authority of a church denomination or religious denomination?
4. Is the individual "ordained, commissioned, or licensed?"
5. Is the individual considered a spiritual leader by his or her religious body?

If you meet some but not all of these factors, the IRS may or may not consider you a minister. Under the 1989 tax court case, not all factors had to be satisfied. It should be noted that only factor 4 -- that one be "licensed, ordained, or commissioned" -- needs to be present in every case. The more of the remaining criteria that one can meet, the more likely one is to fulfill the definition of "minister of the Gospel." (However, some more recent court cases and an IRS Private Letter Ruling have required that all factors be satisfied. Nevertheless, according to leading church law experts, the 1989 case is still viable precedent. The Income Tax Regulations previously noted remain the reliable source for determining ministerial qualification.) Also, the Tax Court *has not* recognized persons as ministers for tax purposes solely on the basis that they were licensed in order to gain tax benefits. In other words, if one seeks a license or ordination simply to gain tax benefits rather than the rights and privileges associated with it, then the IRS likely would not view that individual as a minister for tax purposes.

## How the Rules are Applied

Generally, there are two "qualifications" for recognition as a minister for tax purposes:

1. a proper credentialing which gives one the ability to perform certain services in the exercise of ministry; and
2. the actual performance of services in the exercise of the individual's ministry.

First of all, the individual must be recognized by the church organization as one authorized to do the work of ministry (preach the Word, conduct worship, administer the sacraments, perform marriages). The IRS and the Tax Courts would understand this to be one duly ordained, licensed, or commissioned.

Second, the minister must perform tasks which qualify him or her for tax benefits (conduct worship; preach the Word; administer the sacraments; direct, manage, or promote in order to maintain the religious organization; work in an integral agency of the denomination to control, direct, or manage that institution; or be assigned by the denomination to a specific task).

### **Some Examples:**

The following brief examples may be helpful as general applications:

Example 1: Alfred is ordained and pastors First Church. He conducts worship and administers the sacraments. Alfred is a minister for tax purposes.

Example 2: Brenda is licensed and pastors First Church. She conducts worship and administers the sacraments. Brenda is a minister for tax purposes.

Example 3: Clarke is a lay pastor at First Church. He conducts worship, yet may not administer the sacraments. Clarke is not a minister for tax purposes.

Example 4: Dan is licensed and is an associate pastor at First Church. He occasionally conducts worship and administers the sacraments. Dan is a minister for tax purposes.

Example 5: Edward has no credentials or license and is an associate pastor at First Church. He occasionally conducts worship. Edward is not a minister for tax purposes.

Example 6: Frank is ordained and maintains the buildings and grounds at First Church. He never conducts worship or administers the sacraments as an employee of First Church. Frank is not a minister for tax purposes for services performed for First Church.

Example 7: Gail is licensed and works for an agency of the church in an administrative roll. Gail is a minister for tax purposes.

Example 8: Hugh is ordained and teaches at a Church of God college or university. Hugh is a minister for tax purposes.

Example 9: Bob is ordained and retired from full-time ministry. For certain benefits paid to him by his denomination for his service as a minister, he is considered a minister for tax purposes.

Example 10: Jacob is a registered minister of music or song evangelist. Jacob is not a minister for tax purposes unless he also holds a minister's license or is ordained.

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# The Minister's Housing Allowance

## Introduction

A substantial tax benefit is provided to qualifying ministers based on Section 107 of the Internal Revenue Code (IRC). It consists of only one sentence which currently states that:

"In the case of a minister of the gospel, gross income does not include: 1) the rental value of a home furnished to him as part of his compensation; or 2) the rental allowance paid to him as a part of his compensation, to the extent used by him to rent or provide a home and to the extent such allowance does not exceed the fair rental value of the home, including furnishings and appurtenances such as a garage, plus the cost of utilities."

The basis of this exclusion from taxable income is deeply rooted in our nation's tax history. In 1954, the provision was expanded to include the "cash" rental allowance paid in lieu of a provided dwelling. As recently as the Clergy Housing Allowance Clarification Act of 2002, Congress reinforced and clarified the provisions by adding language to the code about the fair rental value.

## Eligibility

Tax regulations limit the housing allowance exclusion to the amount paid for the home provided "as remuneration for services which are ordinarily the duties of a minister of the gospel." You will want to read ["Who is a Minister for Tax Purposes?"](#) in both the Servant Solutions' Minister's and Treasurer's Toolboxes to discover further details regarding eligibility.

Bi-vocational ministers can have a housing allowance, but only from ministerial income. Generally, secular employers cannot give a tax-free housing allowance to an employee, even if that employee is a minister.

The IRS generally does not differentiate between your church-employed status and your church-retired status for housing allowance purposes. So the same housing allowance rules apply unless noted otherwise.

## Advance Designation

Ministers living in church-provided parsonages may have part of their cash compensation designated as a tax-free housing allowance to cover the cost of furniture purchase and repair, as well as other expenses related to the maintenance of the home which are not reimbursed by the church employer. Such an amount must be *designated in advance* as discussed below.

Tax regulations specify that for the housing allowance to be excluded from federal income taxes it must be *designated in advance of payment* by official action of the employing church or integral agency. The designation must be in writing and should be contained in the minutes of the church board or finance committee, if appropriate. The designation does not need to be attached to the tax return or reported to the IRS except upon specific inquiry.

It is recommended that the wording of the resolution be "open ended" so the designation would be effective from that point forward until it is revised by the church board. Suggested resolutions follow:

A. For a minister in a church-provided parsonage:

"Compensation for Rev. \_\_\_\_\_ will include a church-provided parsonage. For the purpose of covering additional housing-related expenses, \$ \_\_\_\_\_ per year is designated as housing allowance. This designation shall be effective until modified by the church board."

B. For a minister purchasing his/her home or renting:

"The compensation for Rev. \_\_\_\_\_ shall include \$ \_\_\_\_\_ per year designated as housing allowance. This designation shall be effective until modified by the church board."

C. For an evangelist:

"Compensation for Rev. \_\_\_\_\_, as evangelist, will include \$ \_\_\_\_\_ designated as housing allowance."

### **How Much of the Minister's Compensation Can Be Designated as Housing Allowance?**

The Tax Code contains no specific percentage or dollar limitation as to how much can be designated as housing allowance. In the case of bi-vocational ministers and supply pastors, a reasonable designation may be up to 100 percent of the cash compensation. However, it should be noted that a minister's cash housing allowance cannot exceed "reasonable compensation." This applies where a minister received compensation disproportionate to the amount of service provided.

### **How Much Housing Allowance Can Be Excluded?**

As indicated above, up to 100 percent of compensation may be designated as housing allowance, but this does not necessarily mean this is the amount which can be excluded from income taxes. IRS Publication 517 provides a definition of how much parsonage allowance can be excluded for ministers:

"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.

You must include in gross income the amount of any rental allowance that is more than the smallest of your reasonable pay, the fair rental value of the home plus utilities, or the amount actually used to provide a home."

As can be seen, the church employer cannot cause the minister to exclude "too much" by over-designating the amount of housing allowance, but it can cause the minister to pay substantially more taxes than required by under-designating.

The liability for determining the appropriate amount of housing allowance that can be excluded is the minister's. The church has no responsibility beyond determining that the compensation is reasonable for the services performed. The minister is responsible to determine any excess designated housing allowance and to report that amount as taxable income on the annual tax return.



When clergy (whether active or retired) pay off their mortgages, they can still have a housing allowance. However, it cannot exceed the *actual cost* of maintaining the home (this includes real estate taxes, home insurance, etc.). Some ministers who have paid off their homes erroneously exclude the "fair rental value" of their homes as housing allowance. This practice is not legal.

### What Expenses Can Be Used to Justify the Housing Allowance Exclusion?

Generally, any expense to provide or maintain the home can be used to justify the housing exclusion. Regulations do specifically state that expenses for groceries, paper products, personal toiletries, personal clothing, and maid service cannot be used. You may legitimately include the following:

1. Rent, principal payments, or down payments plus the cost of buying the home;
2. Taxes and mortgage interest (even if these are includable as itemized deductions);
3. Utilities (heat, electric, basic telephone, water, etc.);
4. The purchase of furniture, appliances, dishes and cookware, and decorating items including rugs, pictures, curtains, bedspreads, sheets, towels, etc.;
5. Insurance on the home and contents; and
6. Miscellaneous expenses including improvements, repairs and upkeep of the home and its contents, snow removal, lawn mowing, light bulbs, cleaning supplies, etc.

### Reporting Requirements and Taxes Saved

Qualifying payments for a housing allowance are excluded from federal income tax. (However, these amounts are included in the computation of Social Security/Medicare taxes (SECA) at the self-employment tax rate *unless* the minister is retired.) Generally, housing allowance payments also are exempt from state income tax.

Box 1 of the minister's Form W-2 should not include any portion of the church-designated housing allowance. (See "**Tax and Reporting Procedures for Congregations**" in the Servant Solutions' Treasurer's Toolbox). Housing expense details, receipts, and records are not to be submitted to the employer. They are handled differently than professional business expenses and remain confidential. It is the individual minister's obligation to determine how much of the designation can actually be excluded and to report any unused portion of the designated amount as additional taxable income on the annual tax return.

The church treasurer should provide a written notice at year's end to the minister indicating how much has been paid as designated cash housing allowance. This will be useful when the minister computes Social Security/Medicare taxes (SECA) at the self-employment tax rate. A copy of the notification should be maintained in the church's file. An alternative reporting method would be to include the housing allowance designation in Box 14 of the minister's Form W-2 for that tax year.

The church treasurer must issue a Form 1099-MISC for unincorporated evangelists if payments to them have been \$600 or more per year (excluding any housing allowance properly designated in advance, Servant Solutions 403(b) retirement contributions, or reimbursed expenses).

Retired clergy will receive a Form 1099-R for their retirement distributions. When reporting retirement payments made as "housing allowance," the Form 1099-R indicates "taxable amount not determined" since it is the individual minister's responsibility to determine the amount qualifying as an exclusion from taxes.



## Conclusion

The proper designation of a cash housing allowance can result in significant tax savings for the qualifying minister. Here are the recommended steps for the minister to take in order to maximize the exclusion:

- 1a. If in a parsonage with utilities paid in full, estimate the anticipated expense to maintain the home above what is provided by the church. Remember, this amount will need to meet the guidelines as outlined in IRS Publication 517.
- 1b. If no parsonage is provided, compute the fair market rental value of the home plus utilities. Include any fair market rental value of furnishings.
2. Request the church to designate the amount determined in 1a or 1b above as housing allowance.
3. Maintain accurate records of appropriate expenses throughout the year to justify the housing allowance exclusion.
4. At the end of the tax year, determine if the housing allowance designated has been spent for the appropriate expenses. If not, then the difference between the amount designated and the amount spent must be included as additional taxable income on federal income tax forms. Of course, this assumes the excluded amount does not exceed the "fair rental value," as discussed above.

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## Sample Housing Allowance for Pastors

Exclusive Online, July, 2019

Ready-to-use resolution language for church board to set a clergy housing allowance in 2020.

Richard R. Hammar [ posted 7/22/2019 ]



*Editor's note: A resolution can only be applied prospectively, never retroactively. For a church to have a resolution in place for a specific calendar year, it needs to adopt the resolution by December 31 of the previous year. A resolution can be adopted after the start of a new calendar year, but it only applies from the date of the adoption and going forward.*

Church boards can use the language below to create a resolution for a pastor who owns or rents a home:

The following resolution was duly adopted by the board of directors of [Name of Church] at a regularly scheduled meeting held on [Day, Month, Year], a quorum being present:

Whereas, ministers who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and

Whereas, Pastor [First and Last Name] is compensated by [Name of Church] exclusively for services as a minister of the gospel; and

Whereas, [Name of Church] does not provide Pastor [First and Last Name] with a parsonage; therefore, it is hereby

Resolved, that the total compensation paid to Pastor [First and Last Name] for calendar year 2020 shall be [\$\_\_\_\_\_], of which [\$\_\_\_\_\_] is hereby designated to be a housing allowance; and it is further

Resolved, that the designation of [\$\_\_\_\_\_] as a housing allowance shall apply to calendar year 2020 and all future years unless otherwise provided.

*Find quick tips for setting a housing allowance in “[Designating a Housing Allowance for 2020](#).” For detailed information on the parsonages and housing allowances, see chapter 6 in the annual [Church & Clergy Tax Guide](#).*

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Due to the nature of the U.S. legal system, laws and regulations constantly change. The editors encourage readers to carefully search the site for all content related to the topic of interest and consult qualified local counsel to verify the status of specific statutes, laws, regulations, and precedential court holdings.



# COMPENSATION PLANNING

**A GUIDE TO ASSIST CHURCH LEADERS**  
*in compensation planning for ministry personnel*



**Servant Solutions**  
YOUR RETIREMENT & FINANCIAL PLANNING PARTNER



# The Cost of a Minister vs The Cost of a Ministry

It is common to find congregations that lump together the "costs of a minister" with the "costs of ministry" in their budget. These are two very distinct concepts. For proper planning it is best to keep them separate.

Often ministers will ask Servant Solutions for help when a church extends a call and says to the new pastor something like this... "We have \$XX in our budget for the pastor. You decide how you want this broken down."

Servant Solutions strongly discourages this practice. The church has no idea whether compensation is adequate or not when these costs are commingled. Also, mixing the two may confuse or mislead church members as to the level of compensation the minister is receiving. It is a wise church board who will take the time and effort to gather the information and knowledge to make sound decisions. In the descriptions which follow, you will gain an idea of why it is important to separate administrative expenses from salary and benefit expenses.



**COST OF MINISTRY** - includes those costs related to the work of the minister and is properly a part of local church expenses. Among these are the expenses that will be incurred without regard to which minister is serving the congregation at a particular time. While they are important expenses in carrying out ministry, the minister does not personally accrue a financial benefit from the dollars expended in this area.

The expenses incident to the carrying out of ministry by the minister should be treated as business and professional expense reimbursements. This assures that the minister does not have to take these costs out of his or her pocket. Examples of these types of expenses are:

auto expense, continuing education, convention, hospitality, pastor's professional library, dues to professional organizations, church supplies (including postage, birthday cards, etc.)

**COST OF THE MINISTER** - relates to those items that are directly and indirectly related to compensating the particular pastor serving the church at the current time. These costs include the general categories of the minister's cash salary, housing allowance, and employee benefits.

Among the factors that should be considered in the process of providing the minister's compensation package are:

the job requirements, the individual's professional qualifications, educational background, personal experience and expertise, socioeconomic factors affecting pay in the local community, and such factors which merit pay for a job well done.

**Several very helpful resources which can aid church leaders in compensation planning are listed at the back of this guide.**

# Compensation Factors to Consider

Ministry is a high calling. Most of our servant leaders could command a higher salary in the for-profit world, but they have chosen to use their gifts and talents to serve the Lord. The conviction to "call" and to service that they bring often makes ministry personnel reluctant to converse openly about compensation issues. It is up to the good leaders of the church to address these important issues. It is the church's obligation to provide proper salary and benefits to its employees.

What is proper compensation? The church setting is indeed unique, and often a helpful question for church leaders to ask is "What would persons carrying similar responsibilities in other vocations be paid?" In your community it might be appropriate to gather information on the salaries and benefits of teachers, administrators, CEOs, counselors, and service providers.

To the right you will find average annual salaries for a variety of occupations. These are general statistics gathered from the most recent national survey provided on the Bureau of Labor Statistics website.

These figures should be considered while referring to page 7 of this publication, which shows recent inflation figures.

## Average Annual Salaries

\$ 139,900	Operations Manager
\$ 136,590	Human Resources Manager
\$ 102,650	Education Administrator
\$ 92,920	Physical Therapist
\$ 90,370	Police Detective
\$ 83,980	Accountant
\$ 82,750	Registered Nurse
\$ 81,120	Writer/Author
\$ 69,490	High School Teacher
\$ 67,030	Elementary Education Teacher
\$ 63,090	Vocational Counselor
\$ 55,290	Firefighter
\$ 53,950	Social Worker
\$ 50,550	Coach
\$ 45,250	Secretary/Admin. Assistant
\$ 32,640	Teacher Assistant
\$ 31,590	Custodian

National wage data from the Occupational Employment & Wages News Release - March, 2022

*Intended for general comparative use only*



**On the Servant Solutions website you will find a number of compensation topics covered in the "Toolbox Series".**

[servantsolutions.org/treasurers-toolbox](https://servantsolutions.org/treasurers-toolbox)



# Key Compensation Considerations

## THE MINISTER'S HOUSING ALLOWANCE

The minister's housing allowance is a wonderful benefit which allows the church to stretch the value of compensation under Section 107 of the IRS code. The value of the minister's housing can be excluded from taxable income, and it is important for church leaders to help the minister take advantage of this benefit. Under the 2002 Clergy Housing Allowance Clarification Act a minister owning or renting a home can ask the church board to designate a housing allowance for the year, but the benefit cannot exceed the lowest of the following three measurements:

- the actual expenses attributable to housing
- the amount properly designated as housing allowance
- the fair rental market value of the home, fully furnished plus utility costs

Call Servant Solutions for more information.

## TAXES AND SOCIAL SECURITY

For lay employees, congregations are required to pay the employer's portion of Social Security (7.65%) and withhold the employee's portion of Social Security (7.65%).

For ministers, the IRS generally considers them as employees of the church. Thus, ministers should receive a W-2 form just like lay employees of the church. In general, ministers must make quarterly tax and Social Security (SECA) payments out of their take-home pay and do not have withholding of taxes from their pay. While ministers can enter into a voluntary arrangement to have the church withhold for federal, state and local taxes, the church cannot withhold Social Security by law. However, ministers can cover their SECA obligation through voluntary withholding by requesting an "additional dollar amount to be withheld" from each paycheck in box 6 of Form W-4.

## HOUSING ALLOWANCE GUIDE:

For Federal income tax purposes, ministers who own their homes can exclude the **LOWEST** of the following three amounts from taxable income:

**HOUSING ALLOWANCE**  
as designated by his/her church  
(this **MUST** be completed!)



**ACTUAL HOUSING EXPENSES**  
(including mortgage payments, utilities,  
property taxes, insurance,  
furnishings, repairs and improvements)



**FAIR RENTAL VALUE**  
(furnished, including utilities)



**Q: CAN RETIRED MINISTERS ALSO REDUCE THEIR TAXABLE INCOME BY UTILIZING HOUSING ALLOWANCE?**

**A:** Yes! Revenue Ruling 75-22 allows church pension boards such as Servant Solutions to designate a housing allowance for retired ministers receiving income from their 403(b)(9) retirement account. As a retired minister, you may be eligible for the housing allowance income exclusion in retirement. For additional information on housing allowance rules and limits, visit [servantsolutions.org/ministers-toolbox](http://servantsolutions.org/ministers-toolbox) and read *The Minister's Housing Allowance*.



Ministers are required to pay Social Security taxes at the self-employed rate (currently 15.3%). It is important to note that Social Security is to be paid on both the base salary and the value of the housing allowance. In that ministers are considered employees of the church in the eyes of the IRS, yet the rules covering ministers classify them as self-employed for Social Security payments, it creates a hardship on the minister often not recognized or understood by church leaders. It is recommended by Servant Solutions that the church provide an offset benefit to relieve this burden on a minister. Since the normal employer portion of the Social Security payment is 7.65% of salary and housing allowance, the offset benefit should be at least this amount. The amount of the offset must be treated as taxable income to the minister.

## **THE SERVANT SOLUTIONS RETIREMENT PLAN**

One of the most outstanding benefits that a church can provide for their pastor or staff member is participation in the Retirement Plan. Servant Solutions operates a 403(b) (9) retirement plan that allows churches to pay in tax-deferred contributions as well as the opportunity for church employees to make tax-deferred contributions from their salary. The Plan provides a high quality platform of investment options along with education and guidance from a highly trained staff.

For ministers, an incredible added benefit is the ability of the Servant Solutions Retirement Plan to provide housing allowance in retirement for retirement distributions. This is a remarkable way for the church to increase the value of retirement income. Call Servant Solutions at 800-844-8983 or visit [servantsolutions.org](http://servantsolutions.org) for more details.

## **HEALTH INSURANCE AND HEALTH SAVINGS ACCOUNTS**

It is always a good employment practice to provide health care coverage for church employees. In some churches there are ministers and employees who have substandard health coverage or have no coverage at all. Health insurance coverage continues to be one of the largest

challenges in our churches today, and the responsible church will want to provide this coverage. When remitted by the congregation on behalf of the employee, health insurance premiums, just like retirement contributions are excluded from taxable income.

To find affordable coverage, it may help the congregation to evaluate a high-deductible policy along side a Health Savings Account (HSA). With a high-deductible insurance plan the premiums are often considerably less. Part or all of the savings can be placed in the HSA where out-of-pocket medical expenses can be taken from this tax-free pool. The beauty of the HSA is that if the employee does not spend all the money, it can be rolled over to the next year. The intention of the HSA is that an employee with discretion over health care dollars will be more discerning in the expenditure of those dollars. You can contact Servant Solutions for more information on the use of an HSA with a high-deductible health insurance policy.

## **ACCOUNTABLE REIMBURSEMENT ARRANGEMENT**

As earlier noted, church business expenses should not be considered part of compensation. It is recommended that expenses incident to ministry should be reimbursed to a church employee from an administrative line item in the church budget. Such expenses can be reimbursed without any negative tax impact on the minister or employee through an accountable plan. The IRS indicates that three criteria must be met to reimburse an expense:

1. The expense must have a business (ministry) connection.
2. The employee must return any excess reimbursement or allowance within 120 days of the expenditure.
3. The expense must be adequately substantiated by the employee within 60 days of the expenditure.

When substantiating an expense, the employee must document the amount with receipts, indicate the time/date and place, the business purpose and description of

the expense. It is very appropriate for the church to permit ministerial business expenses such as pastoral calling auto expense, education and development, conventions, books and periodicals, office supplies, etc.

**OTHER KEY COMPONENTS RELATED TO COMPENSATION**

Vacation time should be provided commensurate with other vocations and other similar-sized congregations, while also considering length of service. Ministry is a physically, emotionally, and spiritually challenging endeavor. It is in the best interests of the minister and the church for church leaders to make certain the minister has time away with family for rest and renewal. Some of the resources suggested at the end of the guide can give further guidance on vacation benefits.



Sabbatical/Renewal time is in the long-term best interest of the congregation and can provide a return on investment when a minister has opportunity to rest, study, and reflect. A sabbatical policy can encourage longer tenures and renew the creativity needed for effective leadership.

While evaluating compensation and benefits, it is a healthy exercise for church leaders to be mindful of the cost of living. Taking inventory on whether increases are covering the cost of living and, hopefully, adding additional value above will be a blessing to your faithful servant leaders.

**We are always available by phone, fax, or email to assist you in your compensation planning work.**

**The table below shows recent history of the Consumer Price Index used to measure inflation.**

AVERAGE PERCENTAGE INCREASE	
Year Ended December 31	Annual Inflation Rate
2023	4.0*
2022	8
2021	4.7
2020	1.23
2019	1.81
2018	2.44
2017	2.13
2016	1.26
2015	0.12

(Source - usinflationcalculator.com)  
\*projected

**Servant Solutions, as part of our ministry to the church, stands ready to help your congregation in any way possible. Occasionally, as a part of normal travel by the Servant Solutions representatives, we may be in your area and are always happy to meet with the church's board.**





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## RESOURCES TO HELP YOUR PLANNING

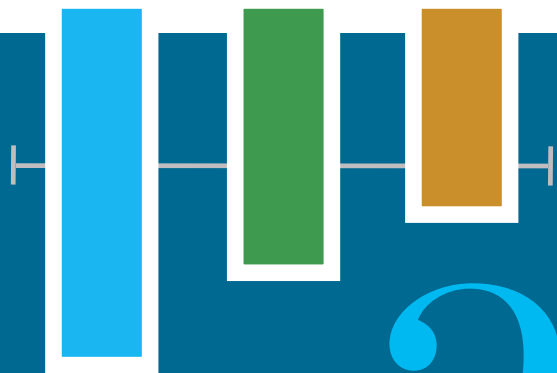
(Recommended by Servant Solutions)

- **Ministers' Taxes Made Easy and Church Reporting Made Easy** by Dan Busby  
[servantsolutions.org>educational resources>resources for treasurers/employers](http://servantsolutions.org/educational/resources/resources%20for%20treasurers/employers)
  - **Treasurer's Toolbox Series**  
Helpful financial articles [servantsolutions.org/employers-toolbox-2](http://servantsolutions.org/employers-toolbox-2)
  - **Pastoral Compensation**  
Online resources specific to compensation planning [servantsolutions.org/church-compensation-planning](http://servantsolutions.org/church-compensation-planning)
- 



**Servant Solutions**  
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*Serving Those Who Serve*



# *The* 2019

## State of Church Compensation Report



**ChurchSalary**

A RESOURCE OF CHURCH LAW & TAX

# The 2019 State of Church Compensation Report

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## Introduction

As a church leader you've likely experienced the challenges of setting pay levels for pastors and staff. Many factors influence compensation. Whether it's annual giving, congregational and personal theological beliefs, your church's history, legal and tax regulations, or geographical location, all play varying roles. Sometimes it's even influenced by who happens to be on your church board at a particular moment in time.

While churches nationwide struggle to determine fair pay, pastors and church staff face their own struggles, too. A survey conducted by the Lilly Foundation not too long ago revealed the three most-cited financial challenges by pastors: retirement, debt, and compensation. Salary and benefits directly affect all of them.

Given these many challenges, how can your church effectively navigate compensation, managing realities, like church budgets, while also advocating for solutions that honor the dignity and financial necessities of your church's pastors and staff members?

At ChurchSalary, we believe everyone deserves fair pay. We also understand the circumstances churches often face. We believe the best way to answer these challenges is with good data. That's why we've created our salary calculator. It gives leaders like you the data you need to know whether your pay, as well as the pay of those under your care, is fair, given your church's situation.

It's also why we created this resource, *The Annual State of Church Compensation Report*. It provides a unique, high-level view of church-specific compensation data collected and analyzed by us throughout the past year on ChurchSalary.com. Additionally, it adds valuable metrics to provide you and your leaders with much-needed context, be it predicted pay raises for American workers in the year ahead or predicted shifts in costs many American households will face. As an added bonus, we also inserted tips and insights from compensation experts and church leaders from across the country—individuals who understand these many complexities and can offer practical guidance in response to them.

Our prayer is that this information educates and equips you and your leaders about the current state of church compensation, providing a foundation for addressing compensation in the near term as well as when the compensation landscape inevitably shifts in the months ahead. May it help you make informed decisions that will strengthen your church and bring glory to the Father.

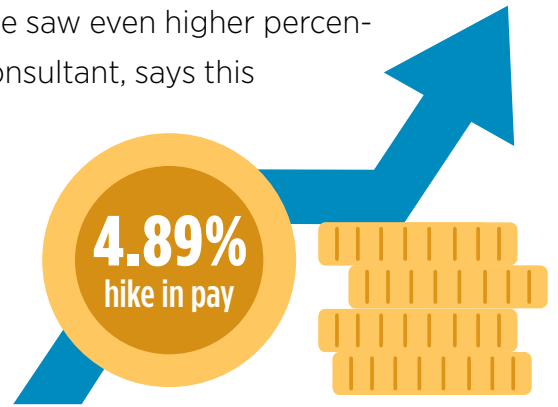
The Lord bless you and keep you,

The ChurchSalary Staff

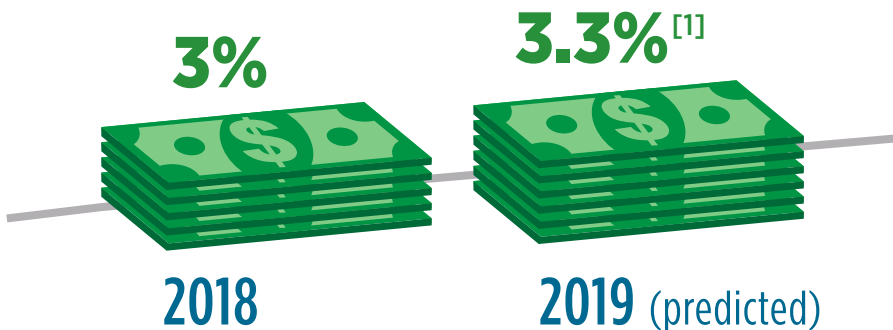
# The 2019 State of Church Compensation Report

## Pay Raises

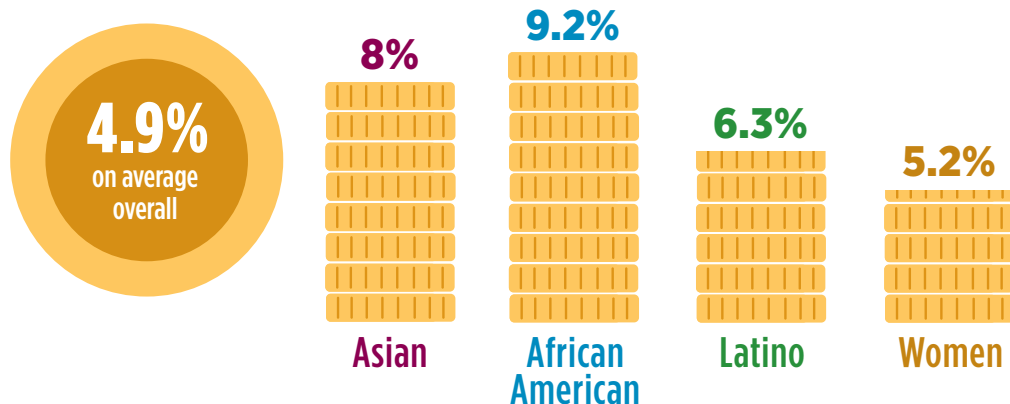
According to ChurchSalary's data, though not all church employees received an increase in 2018, those who did saw, on average, a 4.89% hike in pay. Women and ethnic minorities who received a pay increase saw even higher percentages. Bob Cartwright, a church compensation consultant, says this "can sometimes be attributed to pay inequality issues found when conducting a market analysis and study." Once inequalities are found, pastors and administrators often increase pay to remedy any disparities.



### Average worker's raise



**Of those in the church who did receive a pay increase in 2018, it was:**



<sup>[1]</sup> Kiplinger Letter's 2019 outlook on business costs

## Pay Raises

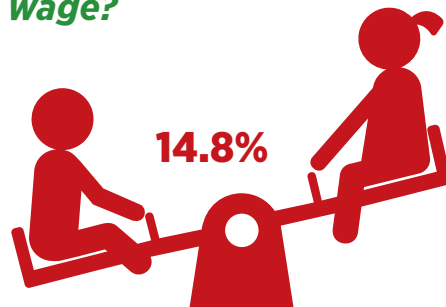
Still, it's not all good news for church employees' pay. If you're a child care worker, ChurchSalary's data shows you are the most likely position in the church to be paid illegally. More than 1 in 7 child care workers in the church (14.75%) is paid below the federal minimum wage. It's important to note that these workers are also disproportionately female. Custodians, at 6.34%, are the second-most likely position to be paid below minimum wage. It should go without saying that paying below minimum wage is not only wrong and unethical but also a violation of federal and state wage and hour laws.



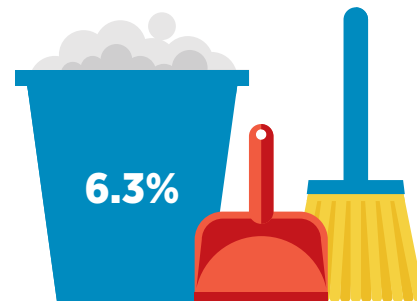
More than 1 in 7 child care workers are paid below the federal minimum wage.



### Who is paid below minimum wage?



Child-Care Workers



Custodians



**Experts' Notes:** "Churches who pay below minimum wage for any job underneath their employment umbrella should execute immediate corrective action to remedy this situation. Paying employees below minimum wage is a violation of federal and state wage and hour laws. Violations of this nature can cost the church its reputation in the community."

—**Bob Cartwright** (SPHR), CEO of Intelligent Compensation

"There's a perception that ministry isn't a real job. It is. And people should be paid a livable wage—something comfortable and desirable."

—**Nicholas Smith**, Executive Assistant Pastor of Bethany Baptist Church, Lindenwold, New Jersey

## Benefits

*Projected increase to benefits in the US*

**3.3%**

expected increase  
from the  
employer toward  
employer-paid  
benefits.

*What are the types of benefits  
employers will boost this year?*



**401(k) or 403(b)  
contributions**



**Paid  
Vacation**



**Sick Leave**



**Health  
Insurance**



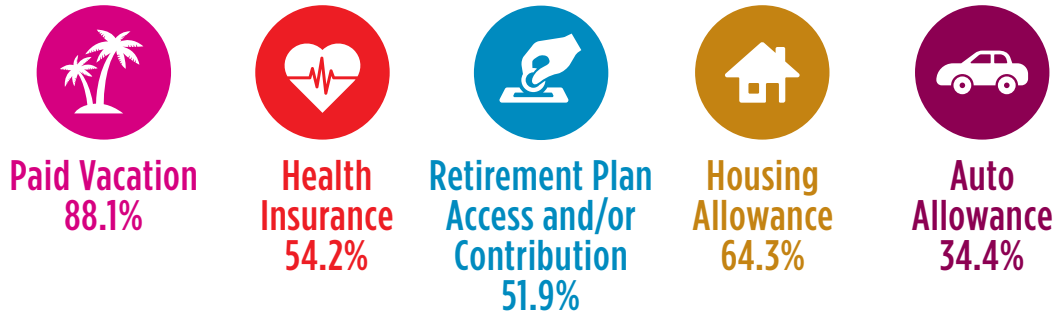
**Expert's Note:** *"We provide employees a full listing of their total packages—compensation, including salary increase, and then benefits breakdowns. I highlight paid time off, too, especially when more paid time off is added for an employee. When we do open enrollment for health and dental, we bring our broker in to share the process he used to research the plan options. He shares with them, based on the other churches and clients he works with, just how rich their benefits plan is. It really is helpful to have an outside party speak into this and counter any negative perceptions."*

**—Scott Landon, Executive Pastor of Administration of Wheaton Bible Church, Wheaton, Illinois**

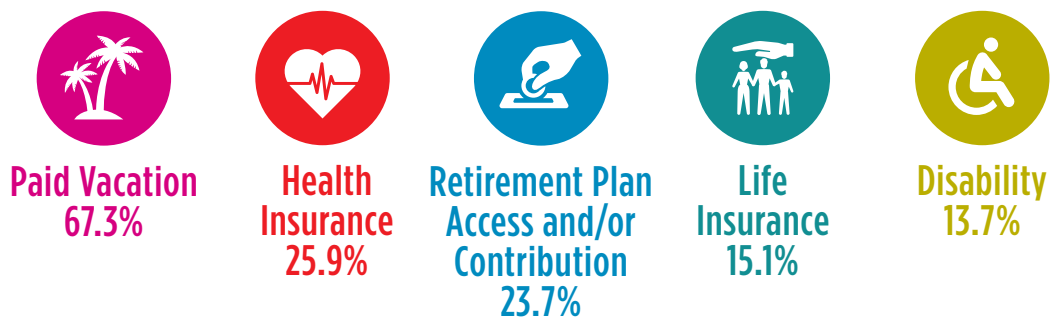


### The Most Common Benefits

Top non-salary benefits for pastors:



Top non-salary benefits for church staff:



**Expert's Note:** *“Over recent years, the increase in cost for healthcare and other employee benefits has eroded the total compensation balance oftentimes found in churches between offering lower employee pay in lieu of providing generous benefit offerings. As a result, passing the burden of some of the benefits costs to church employees has resulted in the demand to seek higher wages or to seek additional employment [bivocational] to supplement pay in order to address the increase in the cost of living.”*

**—Bob Cartwright (SPHR), CEO of Intelligent Compensation**

## Health Costs

### The Increase in Employer-Sponsored Health Care for 2019

#### Pharmaceutical Price Hikes

2018:  
**10%**



2019:  
**8%**<sup>[2]</sup>

**6%**

average expected increase to employer costs for employer-sponsored healthcare in 2019.

#### Annual Premiums



Increase for employer family plan in 2018  
**5%**



Average cost for employer family plan in 2018  
**\$19,616**



Average amount employees pay a year  
**\$5,547**  
or 29% of the premiums<sup>[3]</sup>



**Expert's Note:** *"With healthcare, we say what we pay versus what the employee pays. We pay 90% and the employee pays 10%, so we highlight that. Further, we have not increased the employee portion for four years and highlight that as well. We tell employees to look at the whole picture—not just salary."*

*—Nancy Singer, Director of Administration and Finance, College Church, Wheaton, Illinois*

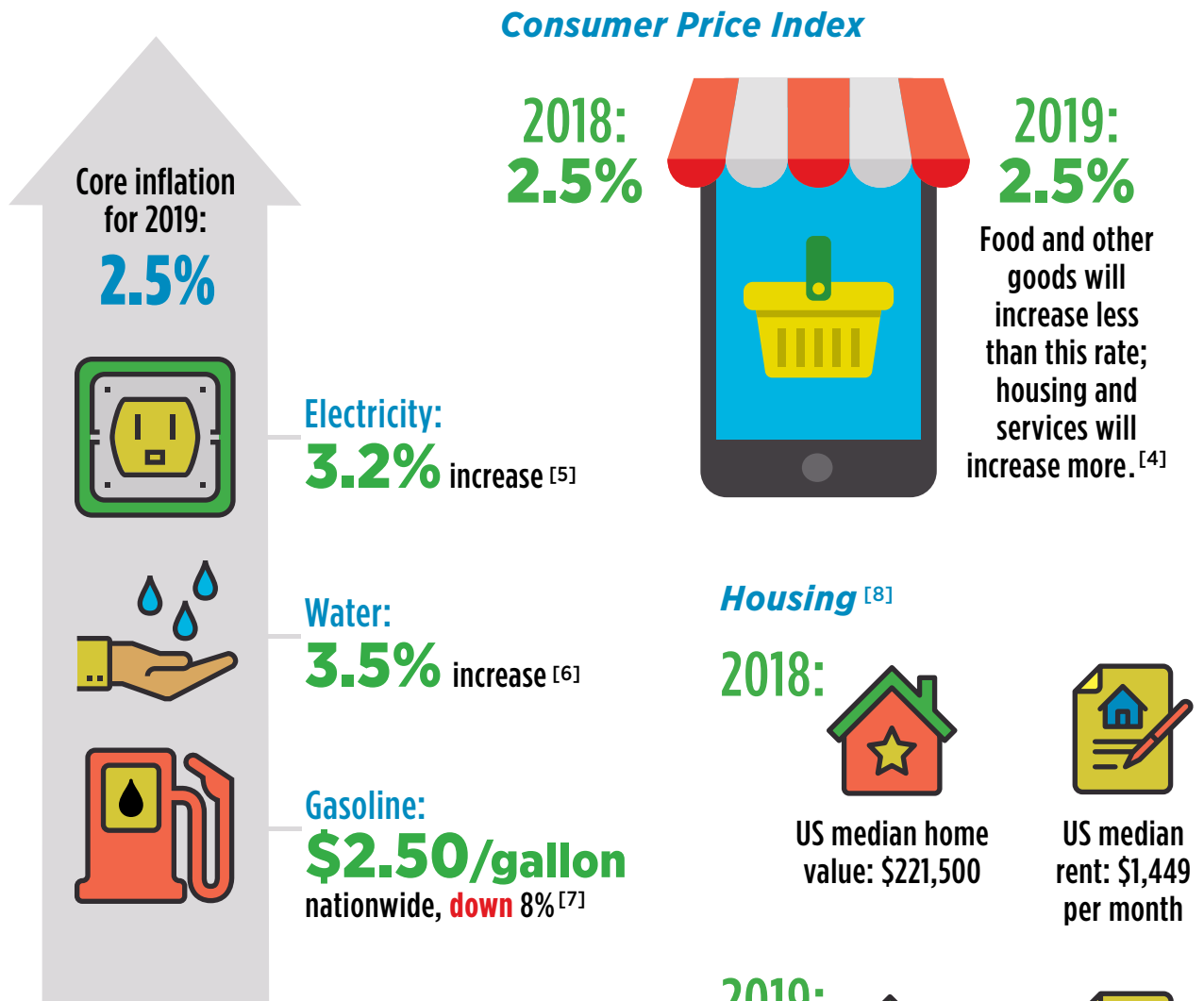
<sup>[2]</sup> Kiplinger Letter's 2019 outlook on business costs

<sup>[3]</sup> October 3, 2018 Wall Street Journal

# The 2019 State of Church Compensation Report

## Cost of Living

In addition to health care costs for employees, the price of services and goods factor into pay in 2019.



<sup>[4]</sup> Kiplinger Letter's 2019 outlook on business costs

<sup>[5]</sup> US Energy Information Administration

<sup>[6]</sup> CircleOfBlue.org

<sup>[7]</sup> US Energy Information Administration, <https://www.eia.gov/outlooks/steo/> (1/10/19)

<sup>[8]</sup> Zillow, Inc.

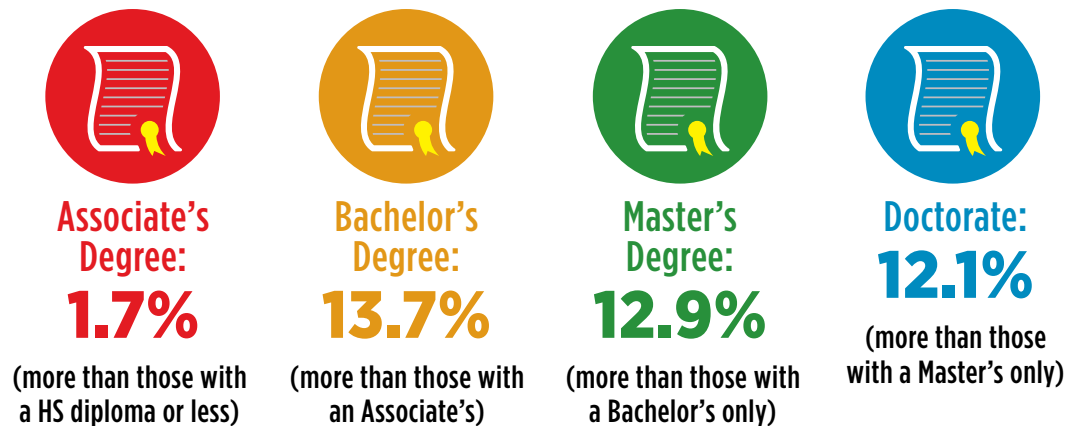
# The 2019 State of Church Compensation Report

## Earnings

### *The Economic Value of Degrees and Ordination*

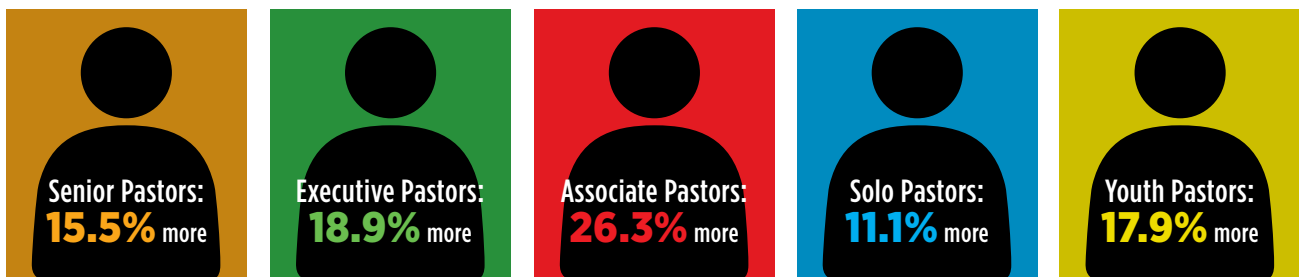
The value of education, of course, cannot be quantified in dollars and cents—especially when speaking of spiritual education and formation for Christian leaders. Still, the compensation in church roles with various levels of education can be measured. Here's what we found.

For the full-time roles of Senior Pastor, Solo Pastor, Associate Pastor, Youth Pastor, and Executive Pastor, here's how much advanced degrees helped increase a pastor's pay, on average.



### *Ordination*

For those wondering if ordination equates to greater earning potential for full-time pastors, our data show that, as with education, there is an “ordination bump” in average pay for those who are “licensed, commissioned, or ordained” by their religious authority. Here's how much more, on average, each earns over their non-ordained peers.



If the average promotion in the workforce equates to a salary bump of 7%–12%, then getting a more advanced degree—with the exception of an Associate’s—is similar to getting a promotion in terms of pay. Being ordained, on the other hand, often translates into even higher earnings compared to non-ordained peers.



### **Bivocational Employees**

Of church employees who work a second job outside of their employing church, 42.9% say it’s a financial necessity rather than a choice.

**42.9%**

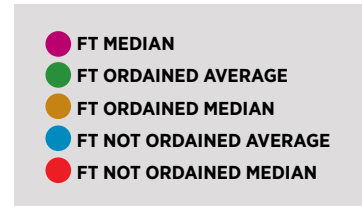
**of church employees work a second job because they have to**



**Expert’s Note:** *“In small churches [fewer than 100 in weekly attendance], pastors are usually bivocational, and that represents the majority of their income. The income they do get from their churches usually goes to health care . . . For small churches with more than 100 in weekly attendance, up until the past 10 years, most churches could pay a full-time pastor, secretary, and associate pastor. Nowadays, the associate pastor’s salary is gone, and increasingly, the full-time pastor is getting part-time pay.”*

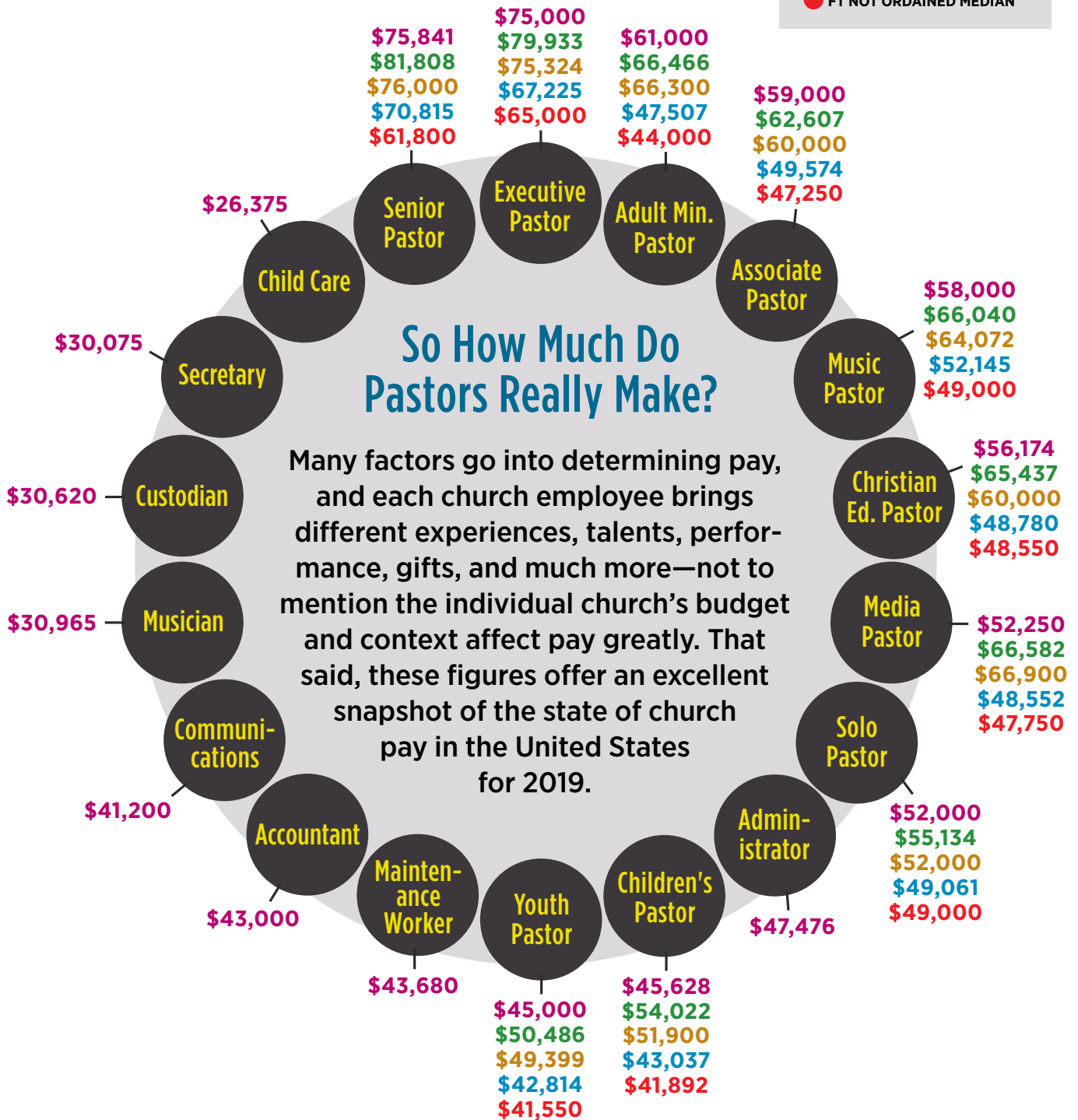
**—Karl Vaters, teaching pastor, Cornerstone Christian Fellowship, Fountain Valley, California**

# The 2019 State of Church Compensation Report



## So How Much Do Pastors Really Make?

Many factors go into determining pay, and each church employee brings different experiences, talents, performance, gifts, and much more—not to mention the individual church’s budget and context affect pay greatly. That said, these figures offer an excellent snapshot of the state of church pay in the United States for 2019.



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# PASTORAL COMPENSATION:

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A MANUAL FOR CONGREGATIONAL BOARDS  
Addressing Economic Issues Facing Pastoral Leaders

JOSEPH COOKSTON, GENERAL EDITOR



**CHURCH OF GOD**  
MINISTRIES



**Servant Solutions**  
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pastoral-compensation-manual-care/](https://www.jesusisthesubject.org/pastoral-compensation-manual-care/)

JOSEPH COOKSTON, GENERAL EDITOR

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*Pastoral Compensation: A Manual for Congregational Boards*  
General Editor Joseph L. Cookston

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800-848-2464

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A Manual offered to congregational boards and financial decision makers toward greater understanding and more effective efforts in addressing the issues of pastoral compensation

CARE Initiative (Clergy Advocacy and Resource Effort) seeks to address economic issues facing pastoral leadership of the Church of God in the United States. This initiative is made possible through a generous grant from Lilly Endowment, Inc.



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# Foreword

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The pastoral ministry has always been the stuff of high calling, noble aspiration, and sacrifice. Serving as a shepherd can be a steep climb, but the rewards and fulfillment of this singular vocation have no peer. To comprehend, at the end of the day, that you have been an instrument for the good in God's hands is, above all else, life-giving. To know that you have been called not just to walk alongside, but to lead and protect God's people, is to be humbled and honored both at once.

No one enters the ministry to garner a fortune, of course; money is not the driver. But, money matters. The financial challenges our pastors face in these days are towering. Educational debt, alone, can be crushing; the cost of providing for a family and balancing home and ministry can be staggering. And, stressful. The health of our pastors—and the ability to keep them in the ministry—is key to the advance of the Kingdom and the future of the Church of God. A new, younger generation of pastors is coming into play, but the financial pressures they face starting out have little precedent; seasoned pastors too often are distracted and exhausted by debt and financial ruin. In both cases, the church suffers, too.

The Lilly Endowment, recognizing the importance of our pastors' financial stability in the big picture of church health has provided funding to launch the CARE Initiative for the Church of God. This Manual is a part of that matrix, designed to provide guidance for every local church team wrestling with pastoral wages, benefits, and compensation. It draws from outstanding resources, writers, and ministry partners as it outlines and contextualizes the issues at hand.

O. Wayne Dickinson (1929-2015) authored the forerunner to this Manual; it was published in 1978 by Warner Press. In this new edition, updated for a new century, we believe you will find wisdom and help, working together with best practices to enhance the church's well-being, as it works to protect our pastors' well-being.

It is a good read--a necessary read, really, if the Movement is to actually move forward. Thanks for exploring its pages. Be encouraged. Jesus is the subject. And, He is able to do beyond what we ask or think.

In Him,

**Jim Lyon**

General Director

Church of God Ministries



# Introduction

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The issues addressed in this Manual are serious, real, and overwhelming. Throughout the church anecdotal narratives related to clergy financial issues have circulated through the normal channels of organizational work and personal contacts. Pastors report a sense that ministry is overwhelming, a perception of disconnectedness, paralyzing financial challenges and debt, and a lack of pastoral compensation understanding by an under-informed laity.

A recent research effort revealed that pockets of pastors in significant financial need are found within the population of ministers in the Church of God (Anderson, IN). It is clear that financial issues can undermine the sense of health and effectiveness experienced by persons in the ministry. Pastors who are most in financial need are more likely to express uncertainty as to whether or not they will continue in ministry.

In this research it was evident that financial education intervention was needed at two levels. At the pastoral level, the importance of managing finances by a budget is underscored. Pastors are willing to receive educational input related to such issues as financial and retirement planning, debt reduction, and housing allowance rules.

The second area for training is among lay leaders who have responsibility for setting compensation levels and packages for pastors. While expertise is present in many congregations, a high percentage of pastors are not confident that lay leaders are knowledgeable about or sensitive to the unique financial situations of pastors and the pertinent laws regarding compensation. This scenario can create conflict, but more often puts the pastor in an uncomfortable situation. When pastors do not know or understand these realities, pastors can find themselves at risk.

Church of God Ministries is committed to helping clergypersons live and thrive in their ministry roles. These persons respond openly to God's calling to vocational ministry and serve generously in their congregations. Yet, a high percentage of pastors struggle silently in the ways they are compensated.\*

Through Lilly Endowment (Indianapolis, IN) a generous grant was awarded Church of God Ministries to design a strategy for partnership, resource development, and direct financial assistance that addresses the economic challenges facing pastoral leaders today. Thus, the CARE Initiative was born: Clergy Advocacy and Resource Effort.

Through the CARE Initiative and accompanying resources, Church of God Ministries seeks to change congregational culture and the conspiracy of silence that exist in addressing the issues of economic challenges with which a sizeable number of pastoral leaders struggle.

The goals of CARE Initiative are twofold: 1) to put into place common understandings in pastoral compensation to the end that sound financial best practices are utilized in pastoral support throughout the movement. The major initiative is directed to an intense educational effort for both pastors and financial decision makers in the congregation; 2) to provide to pastors a three-way combination of assistance: educational debt reduction, retirement planning assistance, and emergency funding caused by transition time lapses between congregations.

Now to the purpose of this Manual. This Manual is for church boards and financial decision makers. The congregational polity of the Church of God respects local leadership for all congregational matters, including the management of a congregation's financial resources. A portion of church budgets supports the compensation of its pastor. Pastoral compensation is complicated. Pastoral compensation can be a murky enterprise at best. Pastoral compensation is different than most professions. How does a congregation demonstrate its care through the ways it supports and compensates its pastor? What are best practices? What about the IRS? What is the best way to allocate pastoral compensation? What protections are essential? How does the board help a pastor's income go further without incurring additional dollars to the budget?

These are important questions that relate directly to the health of the pastor, the health of the congregation, and the health of the wider community.

Through this Manual, experts in the many facets of pastoral compensation have made a significant contribution to come alongside church boards. These writers understand congregational leadership and the difficult financial decisions leaders confront. These writers understand pastors and the

difficult financial decisions they confront. This Manual is an effort to bring together pastors and boards in a productive discussion of pastoral compensation and determine together how best to provide for the financial health of both pastor and congregation.

A great deal of gratitude goes to these contributing writers. Each brings a particular focus from a particular background in a particular manner of writing. Though an attempt was made to retain boundaries among the chapter contents, because of the overlapping nature of the broader topic of pastor compensation and the lack of opportunity for writers to confer with one another directly, there is a built in spiraling of content among the chapters. Though similar topics may be addressed in some chapters, the topic will be related to a different focus and expressed in ways attributable to the writer.

### **Chapters unfold in this manner:**

**Jeff Jenness** begins with an overview of the unusual complexities of pastoral compensation.

**Jim O'Bold** separates the costs of ministry from the cost of the minister.

**James Brown** identifies and illustrates the three major components of pastoral compensation.

**Julie Nance** itemizes legal aspects of pastor compensation, unpacks the definitions and laws of the IRS, and offers wise counsel for compliance with federal rules.

**Randy Spence** looks at pastoral health and connects both monetary and non-monetary considerations that affect that health.

**Vickie Doyle** offers insight into the broader scope of compensation issues in multiple pastor staffs congregations.

**Oral Withrow** wrote a chapter in a 2004 publication, Pulpit Committee Manual, addressing compensation matters for pulpit committees in relation to interim pastors.

**Bill Riley** personalizes the financial challenges of bi-vocational ministry through his own pastoral journey.

**Bob Moss** offers a catalog of best practices that addresses questions and comments he recalls from board members and pastors over his years of congregational and regional ministry.

**James Lewis** grounds the idea of wages and divine reward in biblical story and broad strokes of theological understanding.

This Manual is offered to the host of men and women who care for their pastors and desire to do well in providing excellently for them. It is offered with a prayer that church boards embrace with knowledge and heart the divine responsibility of ensuring the needs of Christ's servants are adequately met.

**Joseph Cookston**

CARE Initiative Director  
Church of God Ministries, Inc.  
Anderson, Indiana  
September, 2016

\*Research for the CARE Initiative among Church of God clergy in the United States was designed, implemented, and analyzed by Dr. Mike Wiese, professor at the Falls School of Business, Anderson University, Anderson, Indiana, 2015.

# Chapter 1

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## Clergy Compensation is Complicated

Jeff Jenness

*“Without counsel, plans go wrong, but with many advisers they succeed.”*  
(Proverbs 15:22)

*“The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to want.”*  
(Proverbs 21:5)

### Opening Words

For residents of corn growing states one of fall’s many traditions is the “corn maze.” A farmer cuts multiple paths through a fully mature corn field and then children and their parents have fun attempting to navigate through and find their way out. As you wander through the paths within corn stalks that rise above your head it is easy to become disoriented quickly and feel lost. So it can be for lay-leaders who are trying to understand the unique aspects of their pastor’s compensation package. Clergy compensation issues are complicated and it is easy to feel a bit lost.

But help is at hand as the CARE Initiative of Church of God Ministries has created this Manual as a guide for church leaders to use to navigate the maze of clergy compensation. Ministers of the Gospel are treated differently under the tax code for purposes of compensation and tax issues. It is very important that elders and lay-leaders have a good understanding of these differences so that there can be a thoughtful process in determining the best structure for the pastor’s compensation package. If you are an elder, lay leader, finance committee member or serving in another leadership capacity I especially hope you will read on as this Manual is designed to be of special help to lay leaders serving the church.

## **Conspiracy of Silence**

Since there are a number of issues that make a pastor's compensation a bit more complicated, there can sometimes be what has been referred to as the "conspiracy of silence." This can occur when church leaders just are not sure what to do as a result of the unique treatment of clergy under the Tax Code and, as a result, avoid the topic altogether. It is not that church leaders do not care about their pastor. But rather it is the different way in which pastors are treated under the Tax Code that often renders confusion and complication. There is a better way and it does not have to be impossibly complicated with some helpful resources.

This publication and its informing chapters can remove much of these complications and allow lay leaders to function with the knowledge and confidence to set compensation and benefits within the best structure to provide financial peace of mind for their pastor.

It is not uncommon to find churches that are not sure about how best to structure their pastor's compensation package and as a result simply provide the pastor with an overall amount of money from the church budget and then ask the pastor to break it down however he or she wants to break it down. Most clergy tax experts and financial planners indicate this is not an appropriate or helpful way to set compensation. By "defaulting" the compensation planning process, church leaders do not know if the compensation is too much or too little.

## **Pastors as Employees**

Let's take a couple of examples that are reviewed in more detail throughout this Manual. One example is the treatment of a minister of the Gospel as an employee for purposes of federal, state (if your state has a state income tax), and local taxes. So the IRS, in almost all cases, expects that a minister will receive a Form W-2 from the church. Even so, the IRS rules pertaining to ministers treat the minister differently in that there is no mandatory withholding of taxes. So the minister is responsible for the quarterly payment of these taxes unless he or she requests that the church set up a voluntary withholding arrangement for taxes as a convenience. This is very different from how most laypeople who find themselves in places of church leadership are treated by their own employer.

It is important to understand these differences so that we can respond in ways that are sensitive to our pastor's needs and can strengthen the pastor's financial wellbeing!

## **Pastors as Self-Employed**

Here is another unique aspect that is dramatically different. Even while we just established that the IRS views the pastor as an employee for W-2 reporting purposes relative to federal and state taxes, the pastor is viewed as "self-employed" for Social Security purposes. If you are a lay leader reading this chapter, it is helpful to think of this unique treatment in this way....

*Pastor Jim is an employee of First Church and receives a W-2 in January of each year for the prior year denoting his taxable pay from the church. Even though IRS rules do not require mandatory withholding, Pastor Jim has entered into a voluntary withholding arrangement of federal, state, and local taxes for convenience.*

*Pastor Jim is considered self-employed, however, for SECA (Social Security) tax purposes. This means he is responsible for the payment of all SECA taxes which currently is 15.3%!*

*Lay-Leader John works for ABC Company and discovers that his pastor must bear 100% of the SECA tax expense out of his pay. This was eye-opening for Lay-Leader John as he compared it to his own situation where his employer must pay one half of his Social Security bill for him with the other one-half deducted from his pay. This is a major reduction in net pay for his pastor.*

When a lay leader recognizes how differently a minister's tax situation is, it then allows for good preparation and action to provide the best possible structure for the compensation package. An excellent resource that helps with the above example of Social Security issues for the pastor can be found at Servant Solutions (the financial retirement planning agency of the Church of God) website. Just go to [www.servantsolutions.org](http://www.servantsolutions.org) and select the MEMO Series. Memo # 7 is titled *Social Security* and gives details of how a minister's Social Security taxes are handled.

## **Pastors and Housing Allowance**

Another example of how the IRS views the minister differently is the housing allowance provision. The law allows the church to designate a housing allowance, which is a portion of the minister's pay that is set aside for housing costs by the church. This amount of the cash compensation that is designated and recorded in the church minutes for the pastor is not subject to federal income taxes. In many states it is also not subject to state or local taxes. With understanding, this is an excellent tool by which lay leaders can help the pastor to improve the strength of the compensation package. Again, an excellent resource to gain knowledge as to how the ministerial housing allowance works is found in Servant Solutions MEMO Series. Memo # 10 is titled *Housing Allowance* and designed to inform on this important topic.

## **Pastors and Ministry Expenses**

The complications of clergy compensation oft times cause a board of elders or leaders to overlook the fact that ministers also have a high degree of business expenses. The IRS views most church related expenses born by the pastor as business expenses. If the church overlooks this fact, the pastor may be harmed in that he or she is paying these expenses with their own salary after tax income. Most for-profit companies do not expect their employees to pay business expenses with their own funds. The same should be true of the church. The church best serves the pastor and the congregation when ministry expenses that are usual and customary in carrying out the ministry work of the church are covered separately by the church.

Good accountability can be set whereby these expenses can be tracked by the board. An accountable reimbursement policy can be approved that governs the type of expenditures that can be reimbursed by the church to the pastor. Excellent guidance can again be found on the Servant Solutions website in the annual *Compensation Planning Guide* found there.

The question might be asked, "How can we best determine how to instill best practices when it comes to compensating our pastor?" It is highly recommended that your church appoint a small compensation committee of perhaps three to five members. This committee could be appointed from the board of elders and would be annually charged with providing guidance on setting compensation for the pastor(s). The committee would draw from



the sources cited in this chapter and from this Manual to give consistent attention to best practices. The church that takes these steps and takes this task seriously will be rewarded by caring for the pastor in the best way possible and maximizing the precious resources of the church to provide financial peace of mind. Pastors who do not worry about their family finances are pastors unleashed to minister to the congregation and community.

## Closing Words

Well, let's revisit the corn example that opened this chapter. After the "corn maze" is enjoyed soon the farmer harvests the field and the corn stalks are cut to the ground. What was a complicated maze that left one's head dizzy in attempt to find direction now provides a clear view in all directions. It is our hope and prayer that this Manual provides clear direction and removes the complications often associated with clergy compensation planning. May God richly bless your congregation as you reach your community for Christ.

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**Jeff Jenness** *has been married to Debbie for over 37 years. They have three grown children and two grandchildren. Jeff has served as president at Servant Solutions, an endorsed agency of the Church of God serving thousands of pastors, missionaries, and church workers, for over 20 years. He has served the broader church on many boards and commissions.*

*In his local community he has provided leadership to a number of serving organizations and has been chosen as county Citizen of the Year and also Volunteer of the Year. He today serves on the Boards of Children of Promise, St. Vincent's Mission Board, the Church of God Foundation, East Side Church of God Finance Committee, and others. He helped establish several successful businesses in the past including a local banking institution and continues to serve a bank board and boards of several small businesses. Jeff enjoys distance running, travel with Debbie, and activities with the family.*

# Chapter 2

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## Cost of a Minister vs. Cost of Ministry

Jim O'Bold

*"The laborer deserves to be paid."*

(I Timothy 5:18b)

### Opening Words

Ministry is a high calling. Most of our servant leaders could command a higher salary in the for-profit world, but they have chosen to use their gifts and talents to serve the Lord. The conviction to the "call of ministry" and to service that they bring often makes ministry personnel reluctant to converse openly about compensation issues. It is up to the good leaders of the church to address these important issues. It is the church's obligation to provide proper salary and benefits to its employees.

What is proper compensation? Excessive compensation may jeopardize the tax-exempt status of the church. But a more likely scenario is that inadequate compensation can result in low morale, poor performance, and excessive turnover. The church setting is indeed unique, and often a helpful question for church leaders to ask is "What would persons carrying similar responsibilities in other vocations be paid?" In your community it might be appropriate to gather information on the salaries and benefits of teachers, administrators, CEOs, counselors, and service providers.

In many of the above vocations, salary, benefits, reimbursements, and administrative costs are all considered when an organization/business hires an employee. In many of our churches, boards and search teams do not consider the impact of the above on their church budgets, and more importantly, the impact on the budget of the pastor and his/her family. It is time for all of us (pastors, lay leaders, and boards) to understand the unique considerations of pastoral compensation. This chapter will concentrate on a key consideration of separating costs of a minister and the costs of ministry and will provide some helpful tools to make it easier to communicate these concepts.

## The Dangers of a Non-descript, Open-ended Compensation Package

It is common to find Church of God congregations that lump together the "costs of a minister" with the "costs of ministry" in their budget. **However, these are two very distinct concepts. For proper planning it is best to keep them separate.** Unfortunately, in most situations where these are lumped together, both the local church and the minister assume that the total amount of the "package" is compensation. In reality, part is for the "cost of a ministry" and part is for the "cost of a minister."

Often ministers will ask Servant Solutions for help when a church extends a call and says to the new pastor something like this... "We have \$XX in our budget for the pastor. You decide how you want this broken down."

The **least advantageous** way for a minister to be paid is to be given a lump sum amount out of which the minister must provide for professional expenses, employee benefits, and cash salary.

This "lump sum" practice is strongly discouraged. The church has no idea whether compensation is adequate or not when these costs are commingled. Also, mixing the two may confuse or mislead church members as to the level of compensation the minister is receiving. It is a wise church board who will take the time and effort to gather the information and knowledge to make sound decisions.

Not only is the above practice of allowing the pastor to determine the splitting of his/her total salary/benefit budget discouraged, **it is ILLEGAL!** The IRS considers any compensation that a minister "controls" as fully taxable. If a minister has full power to separate amounts in his/her compensation packet to allocate to specific categories (other than housing allowance and employee retirement contributions), the IRS considers this an illegal practice and as punishment will fully tax the total original amount. The IRS then has the power to go back several years and consider those years fully taxable as "back taxes". This is happening in IRS church payroll audits across the country, so do not think you and your church will be immune. Therefore, it is important that churches and pastors not place each other in this precarious predicament.

# The Cost of a Minister versus The Costs of Ministry

In the descriptions which follow, you will gain perspective on why it is important to separate administrative expenses from salary and benefit expenses.

## Costs of Ministry

Costs of Ministry include those costs related to the work of the minister and are properly a part of local church expenses. Among these are the *expenses that will be incurred without regard to which minister is serving the congregation at a particular time*. While there are important expenses in carrying out ministry, the minister does not personally accrue a financial benefit from the dollars expended in this area.

When the minister is expected to pay for these items out of the amount provided in the church's "package," it will result in the parsonage family paying higher taxes on money they used to operate the local church's ministry. However, when these items are "reimbursed" through an accountable reimbursement plan (even if it means dividing the minister's previous "package" into two distinct amounts), it usually will result in lower taxes, a more accurate reflection of the minister's real compensation, and a simpler tax return to file.

The expenses incident to the carrying out of ministry by the minister should be treated as business and professional expense reimbursements. This assures that the minister does not have to take these costs out of his or her pocket. Examples of these types of expenses are:

## Auto Expense

### • Mileage Reimbursement

The Automobile Allowance Method

Probably the largest business expense for a minister is the auto expense. Some churches continue to provide a non-accountable car allowance. However, the IRS says such non-accountable allowances are to be reported as income on Form W-2. The ministerial employee may or may not benefit by using Form 2106 (or Form 2106-EZ) to document the expenses and the allowance paid, thereby deducting the unreimbursed expenses as itemized deductions on Schedule A. Such an allowance method provides no dependable tax benefits.

## The Automobile Reimbursement Method

A good plan is for the church board to adopt an accountable reimbursement plan and include auto expense reimbursement on a business mileage basis. Actual auto expenses may be reimbursed. However, the simplicity of using the Standard Mileage Rate is compelling. If the minister accounts to the church for all business miles and is reimbursed at the Standard Mileage Rate, the reimbursement is not included as income on Form W-2. Records providing evidence for business miles are provided to the church treasurer to support the reimbursement. The IRS can supply details about accounting and record keeping for reimbursements ([www.irs.gov](http://www.irs.gov) or 800- TAX-FORM). Employees who are reimbursed the Standard Mileage Rate or less per mile are not required to make any report on their tax return unless they want to try to deduct business auto expenses not fully reimbursed. If the reimbursement exceeds the Standard Mileage Rate, then the entire amount of the reimbursement should appear on Form W-2 as taxable income. This means any tax benefit may be lost under the deductibility rules mentioned earlier. (You may want to request a copy of IRS Publication 463 "Travel, Entertainment, Gift, and Car Expenses" for more details.) The simplest method to handle auto expenses is to receive full reimbursement at the Standard Mileage Rate allowed by the IRS for all business miles.

## Church Provided Auto

In some cases, it is more cost-effective to provide a church auto to the pastor versus paying for mileage reimbursement. However, vehicles provided by the church to ministers for business use are often used for personal purposes. The IRS treats most types of personal use of a church-provided vehicle as a non-cash fringe benefit and generally requires the fair market value of such use to be included in the minister's gross income. See IRS Publication 535 to learn more.

## **Equipment Expenses**

### **• Church Provided Cell Phone**

This cell phone must be provided for a business purpose and be used primarily for that purpose. To assist in demonstrating the business purpose, churches may want to consider adding the business reason as part

of a minister's job description, in a written cell phone policy, or part of the employment handbook. The IRS has indicated that a minister's personal use will be treated as a *de minimis* fringe benefit. The net effect is that employer-provided cell phones are not taxable income to ministers as long as the phone is not provided primarily for non-compensatory purposes.

- **Church Reimbursement for Minister-owned Cell Phone**

A cell phone may be treated as non-taxable reimbursement if church requires minister to: be available to be contacted at all times for work-related emergencies or be available at times outside the minister's normal work schedule.

- **Church Provided Laptop Computer**

The law covering employer-provided laptops technically requires tracking each use and substantiation of a business purpose for each use as well as accounting for any personal use of the machine. It is likely that the rules over laptops will someday follow the same path as cell phones given their increased prevalence and decreased cost in recent years.

**Continuing Education**—allows the minister to complete degrees or attain advanced degrees.

**Conventions**—allow collaboration among peers along with learning opportunities.

**Hospitality**—budget for entertainment/food expenses for members, lay leaders, staff, and the like.

**Pastor's Professional Library**—budget for books/subscriptions for pastoral study and sermon preparation.

**Dues to Professional Organizations**—examples include Rotary, Kiwanis, Chamber of Commerce, and other professional and civic organizations.

**Church Supplies**—including postage, birthday cards, and other ministry supplies.

## **Pastor's Gifts Expected to be Given to Members**

**(wedding, baby, and the like)**—pastors know the families of their church and are expected to recognize weddings, births, and other special occasions.

## **Costs of the Minister**

Costs of the Minister relate to those items that are directly and indirectly related to compensating the particular pastor serving the church at the current time. These costs include the general categories of the (1) minister's cash salary, (2) housing allowance, and (3) employer benefits.

Among the factors that should be considered in the process of providing the minister's compensation package are:

- **Job Requirements**—Can the candidate perform the needs of the position?
- **Individual's Professional Qualifications**—Can the candidate represent the church well both inside and outside of the church walls?
- **Educational Background**—Are there specific educational requirements?
- **Personal Experience and Expertise**—Does the candidate have ministry experience? If so, in what capacity? What strengths and weaknesses does he/she bring?
- **Socioeconomic Factors Affecting Pay in the Local Community**—What are the costs of living considerations where the church is located?
- **Factors Which Merit Pay for a Job Well Done**—Are their challenging, mutually agreed upon goals, that once met, merit a pay increase or bonus?

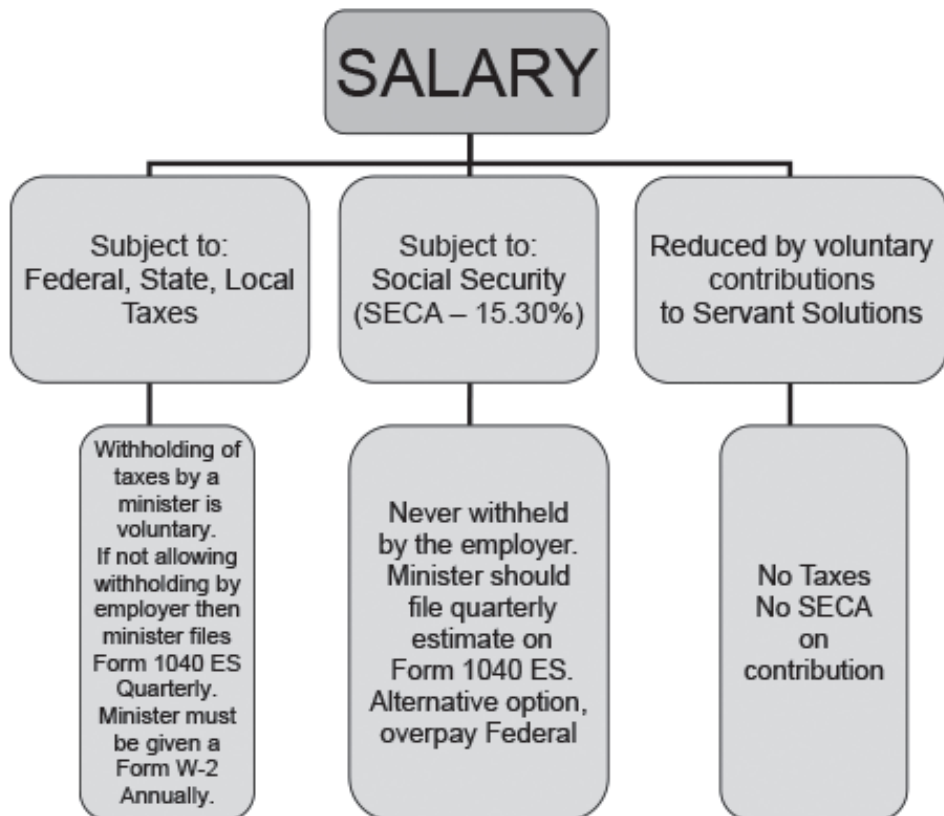
The above considerations vary from church to church, as some are more weighted than others depending on specific needs of the congregation and the available candidates. Although some are subjective, they all should be considered in preparing a fair and adequate compensation package.

The *cost of a minister* is made up of appropriate employee benefits, provision for housing, and the actual cash salary paid. Some of the items related to these are not discretionary since the minister and family have no choice as to how the money is spent. Items of a nondiscretionary nature include most of the employee benefits listed below. The list includes the type of basic employee benefits that should be provided in a well-balanced compensation plan.

## (1) Cash Salary

This is the amount the minister and family use to meet living expenses and with which they have some discretion in spending. Cost of living adjustments should be considered in each annual salary review of all church employees.

Please reference the illustration below to see how a minister's salary is affected by the IRS and Social Security. Due to the "Dual Status" of the minister being considered an employee by the IRS and considered self-employed by Social Security, it is important to know how a minister's salary compensation is affected by these two government taxing entities.





## **Additional Salary—Includes House Equity Allowance and SECA Allowance**

House Equity Allowance—an option for those who are in a parsonage or live in the mission field. Eventually, at a job change or in retirement, these living arrangements are not available. This allowance provides an opportunity for the pastor to save up for a home in the future. If this was not available, most pastors and missionaries would have little or no options for adequate and affordable housing in the above situations.

SECA Allowance (Self-Employed Contributions Act)—an option that provides an “apples-to-apples” comparison for compensating Ordained/Licensed/Commissioned pastors. Since pastors are treated as self-employed by the Social Security System, they do not get the benefit of their employer paying half (7.65%) of their Social Security/Medicare Tax as lay persons in secular employment. If a pastor does not receive this “offsetting benefit” from their church employer, they must pay all the tax at 15.3% of total of their salary/housing allowance. (Effective SECA tax rate can vary based on Marginal Tax Rate due to deductibility of self-employment tax.)

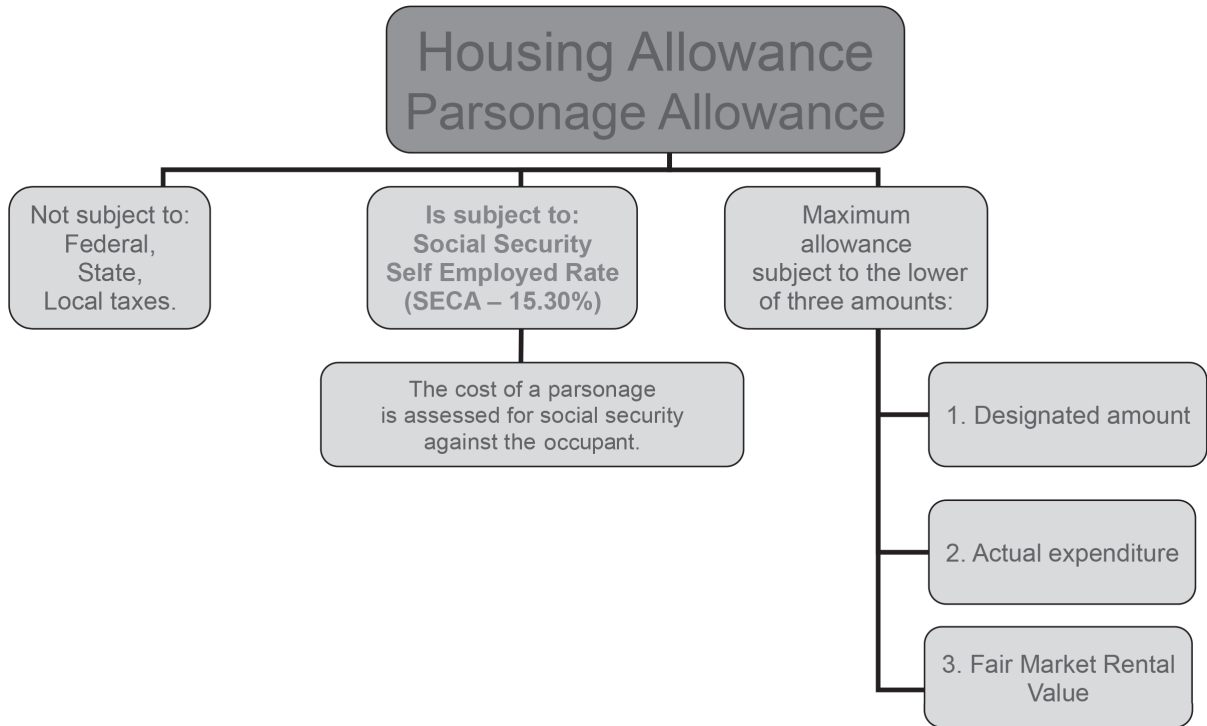
As you can see below, the offset is not total due to the fact the pastor still must pay all income taxes and Social Security taxes on both the House Equity Allowance and the SECA Allowance. Even so, all churches are encouraged to supply their pastors with these helpful benefits if applicable.

## **(2) Housing/Parsonage Allowance**

The minister’s housing allowance is a wonderful benefit which allows the church to stretch the value of compensation under Section 107 of the IRS code. The value of the minister’s housing can be excluded from taxable income, and it is important for church leaders to help the minister take advantage of this benefit. Under the 2002 Clergy Housing Allowance Clarification Act a minister owning or renting a home can ask the church board to designate a housing allowance for the year, but the benefit cannot exceed the lowest of the following three measurements:

- the actual expenses attributable to housing
- the amount properly designated as housing allowance
- the fair rental market value of the home, fully furnished plus utility costs

As you can see in the illustration below, Housing Allowance is not subject to Federal, State or Local taxes, but it is subject to the SECA tax at 15.30%. For more information on Housing Allowance, please reference Chapter 4 in this manual.

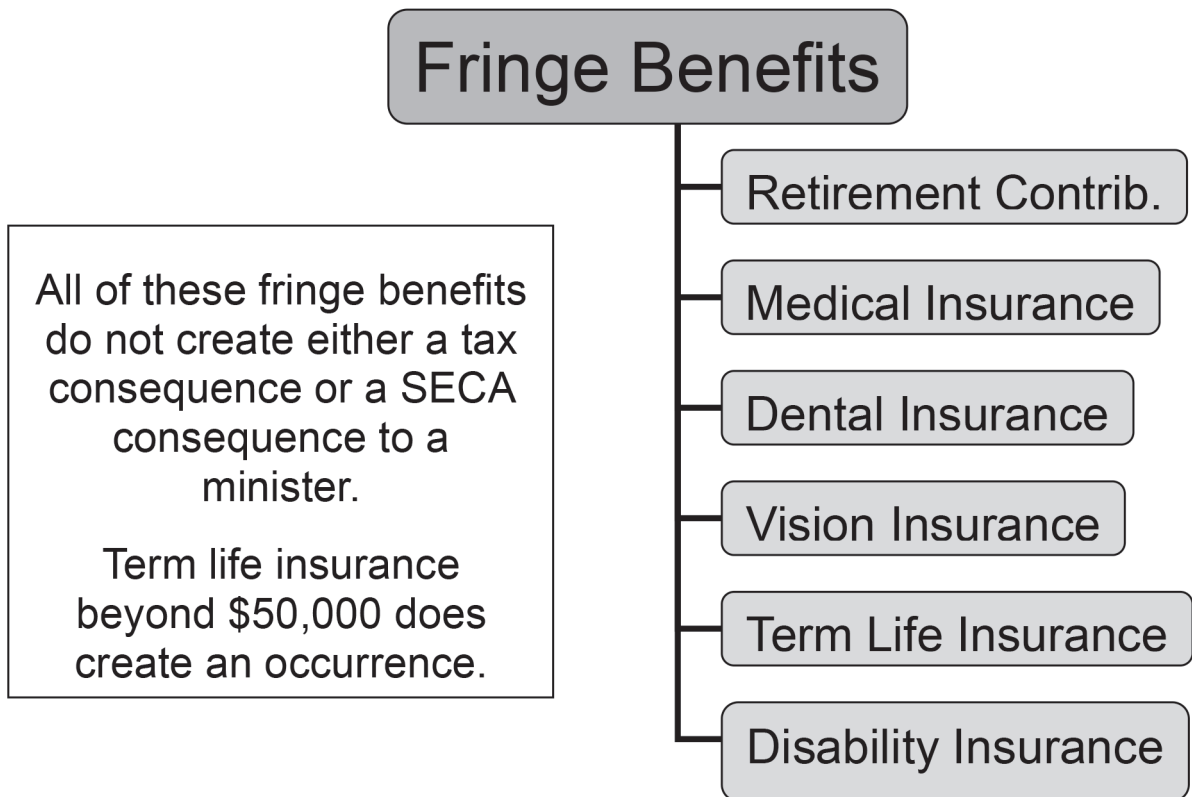


### **(3) Church Employer Fringe Benefits**

The following benefits are received by many employed by secular businesses as ordinary and customary. However, this is usually not the case in many church compensation packages. The illustration below references some of these important fringe benefits, as they do not create a tax consequence with Federal, State, and Local taxing bodies, as well as do not create a tax consequence with Social Security. More importantly, congregations that provide these types of benefits have shown a great way to say “We care” to their pastors and families about their present and future.

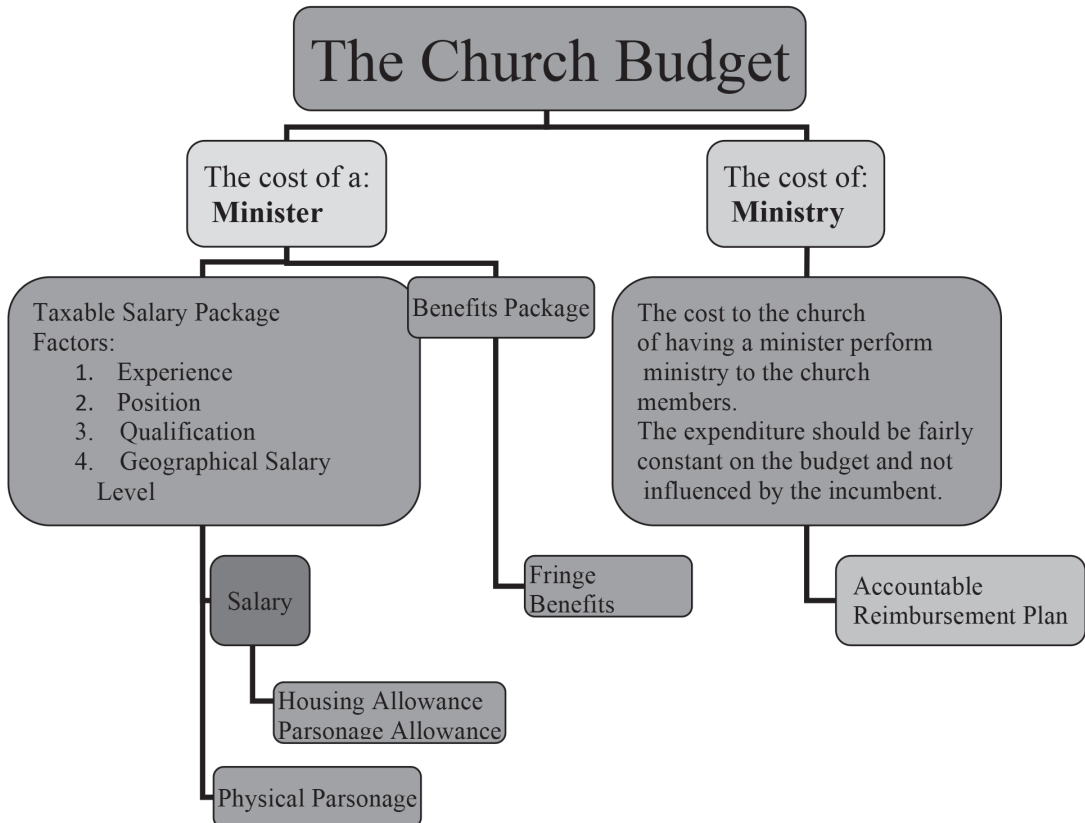
- Health Insurance\*
- Dental Insurance\*
- Group Term Life Insurance\*
- Long-term Disability Insurance\*
- Accidental Death & Dismemberment Insurance\*
- Cash Bonus—A distribution of cash, a gift certificate, or a similar item of value readily convertible to cash must be included in the employee's income.
- Paid Holiday\*
- Vacation\*

\*For more information, please reference Chapter 5 of this manual.



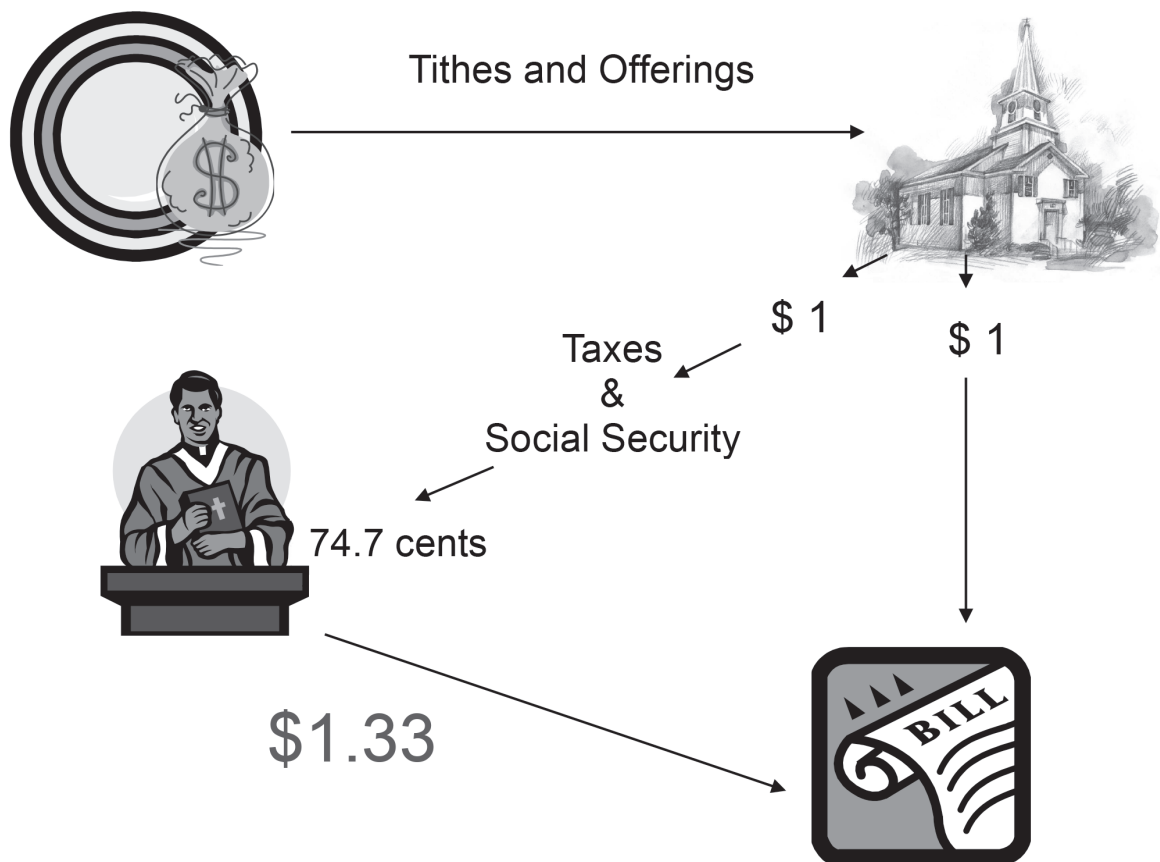
## Employer Retirement Contributions— The Servant Solutions Retirement Plan

One of the most outstanding benefits that a church can provide for their pastor or staff member is participation in the Retirement Plan. Servant Solutions operates a 403(b)(9) retirement plan that allows churches to pay in tax-deferred contributions as well as the opportunity for church employees to make tax-deferred contributions from their salary. A recommended percentage is 8-11% (of salary/housing allowance). However, if the church is just getting started and cannot begin at this percentage, it is important to get started with a 3-5% contribution and work towards the recommended percentage in later years. The Plan provides a high quality platform of investment options along with education and guidance from a highly trained staff. *For ministers, an incredible added benefit is the ability of the Servant Solutions Retirement Plan to provide housing allowance in retirement for retirement distributions.* This is a remarkable way for the church to increase the value of retirement income. Call Servant Solutions at 800- 844-8983 or visit [servantsolutions.org](http://servantsolutions.org) for more details.



## Stretching Compensation Dollars by Avoiding Unnecessary Taxation

The church should practice good stewardship. This includes knowing how the church can benefit a pastor's compensation without costing the church any more funds. Compensation plans should provide tax-effective benefits. A dollar of benefit cost to the church may be multiplied when received by the employee as tax-free or tax-deferred. This is seen in the illustration below:



Taxes assumed at 10%, Social Security at 15.3%

Ministers and churches are realizing the need to differentiate between the “cost of having a ministry” and the “cost of compensating a minister.” More and more churches are recognizing that their “package” approach does not provide nearly as much true cash salary as they had thought. They are making efforts to reimburse compensation above the “package” amount for business and professional expenses. Other churches are financially unable to increase compensation above the amount committed to their “package.” However, they can still help the minister by differentiating between these two kinds of costs and by allowing the minister to re-categorize the total amount provided by the church into these distinct expense categories. The result of this restructuring costs the church no additional funds, but provides a legitimate opportunity for the minister to reduce the potential impact of taxes. For more information, see MEMO #5 “Minimizing Income Taxes for Church Employees” and MEMO #8 “Auto and Other Business Expense Reimbursements” at [www.servantsolutions.org](http://www.servantsolutions.org).

### **Reimbursement Agreements— Accountable Reimbursement Plan**

An accountable plan is a reimbursement or expense allowance established by your church/employer. As earlier noted, church business expenses should not be considered part of compensation. It is recommended that expenses incident to ministry should be reimbursed to a church employee from an administrative line item in the church budget. Such expenses can be reimbursed without any negative tax impact on the minister or employee through an accountable plan.

## **The Impact of the 1986 Tax Reform Act**

The 1986 Tax Reform Act had the most significant effect on tax law since its previous major overhaul in 1954. Along with many other things for which it is blamed, the Act’s revisions made it much more difficult for ministers to avoid paying income taxes on unreimbursed business expenses. For example, unreimbursed automobile expenses cannot be deducted dollar for dollar from compensation, but must be deducted as a part of itemized deductions on Schedule A. With a high standard deduction allowance, many parsonage families find it impossible to itemize deductions. The result is the payment of more income tax for those ministers who cannot deduct unreimbursed automobile expenses.

The same problem applies to many of the business and professional expenses which a minister incurs in the exercise of ministry. In addition to the high standard deduction allowance, these expenses must also exceed 2 percent of the adjusted gross income reported on the federal tax return. Furthermore, entertainment expenses are only 50 percent deductible if not reimbursed. Such regulations have caused many ministers to reevaluate the structuring of their compensation.

IRS Regulations for Business Expense Reimbursements Requirements are based on IRS Regulation 1.62-2(d)(3). These requirements apply to every church and affect all employees. They are not optional - they must be followed, or the church employee may pay significantly greater amounts of unnecessary taxes. The IRS Regulations require that business reimbursements be included on Form W-2 as taxable income to the individual unless paid through an "accountable reimbursement plan" which has been "formally" adopted by the church board.

The requirements for the *accountable reimbursement plan* are three-fold:

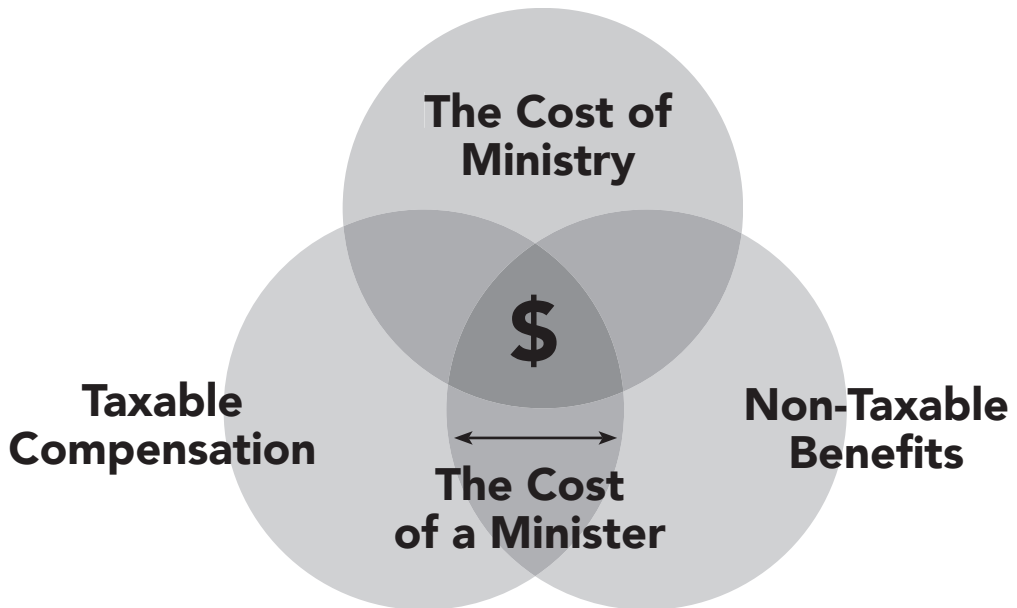
- The church may reimburse only those business expenses that an employee substantiates within 60 days of the expenditure with receipts and/or in writing as to the date, amount, place, and business nature.
- The employee must return any "excess" reimbursements (i.e., unused expense advances) within 120 days of the expenditure. The excess reimbursement may not be treated as a bonus or gift.
- Any advance must be made within 30 days of when the expense is paid or incurred.

Form W-2 income cannot simply be reduced "after the fact." In other words, the IRS will not allow reimbursements to be paid through a retroactive reduction of salary. For reimbursements to be paid and qualify under an accountable reimbursement plan, properly substantiated expense reimbursements must be paid separately from the employee's salary. The salary amount and the accountable reimbursement plan must be established in advance of payment. If the church establishes a dollar limit on the expense plan (instead of reimbursing 100% of expenses), any balance remaining in the expense plan at year-end should remain with the church. If the balance is paid to the employee, all other plan payments made to the employee during the year become reportable as taxable income on Form W-2.

When substantiating an expense, the employee must document the amount with receipts, indicate the time/date and place, the business purpose and description of the expense. It is very appropriate for the church to permit ministerial business expenses such as pastoral calling auto expense, education and development, conventions, books and periodicals, office supplies, and such.

Reimbursements under a *non-accountable plan* and excess reimbursements over IRS mileage or per diem limits must be included as gross income to the employee and reported as taxable wages by the employer. *If your church is not reimbursing your employees expenses via an accountable reimbursement plan, then your employees are governed by the rules for a non-accountable plan. This is a HUGE tax disadvantage for the pastor.*

## **\$ =The total budget cost to the church**





## **Key Sources**

This is such an important area in the life of the church. Servant Solutions suggests the following resources which can help church leaders and the minister in the area of compensation planning and proper benefits.

### ***The Compensation Handbook for Church Staff***

Updated annually, this outstanding publication provides national survey findings for churches of various sizes and demographics. It can be ordered from: [www.churchlawandtax.com](http://www.churchlawandtax.com) or call (800) 222-1840

### ***Compensation Planning***

Updated annually, this is a general guide to stimulate lay-leaders and church board members in their thinking relative to compensation packages for ministers. Contact Servant Solutions: (800) 844-8983 or (765) 642-3880 email: [info@servantsolutions.org](mailto:info@servantsolutions.org) It's also on our website: [servantsolutions.org](http://servantsolutions.org)

### ***Church and Nonprofit Tax & Financial Guide***

Updated annually, this outstanding publication provides the latest tax law changes as well as easy-to-understand advice on clergy tax and financial matters. It can be ordered from: [www.zondervan.com](http://www.zondervan.com)

## **Closing Words**

A Calling Agreement (or Employment Agreement) is a simple way to make sure the church board and the minister are in agreement and understand the many elements of a proper and fair minister compensation package. The agreement in Appendix A is a sample and by no means is it exhaustive. However, it can be adjusted as the church and minister sees fit, and it serves as a template that generates a clear understanding between parties on an annual basis. Having these conversations before a minister is hired and annually thereafter allows the opportunity for frank and honest discussions that lead to fair and equitable compensation practices for both the minister and the church.

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# Chapter 3

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## Equitable Compensation Planning

James L. Brown, Sr.

*"But now, when shall I provide for my own household also?" (Genesis 31:30)*

### Opening Words

Across denominations and movements, a challenging concern is equitable and fair compensation for pastors and other church leaders. This concern can be lessened by the development and use of an equitable compensation plan comprised of specific compensation goals and appropriate compensation components.

It has been said that society holds pastors in high regard, but when it comes to salary compensation and to a greater extent salaries & benefits (total compensation), studies show churches tend to pay their clergy less than other professionals with similar education and experiences. This practice tends to make the clergy field less attractive to highly qualified candidates.

Within the church, there is a large disparity in compensation levels depending on the size of the church. In many cases little to no compensation is offered beyond a salary. Research also indicates that this disparity is likely harming the church and distorting its mission. Smaller churches sometimes feel compelled to do whatever they can to attract more members to increase their financial strength and better position them to retain more gifted pastors. With the heavy emphasis on financial strength, there is a risk that churches may lose focus on their primary mission to minister to the lost.

Among African Americans, it is common for pastors to accept lower salaries and work second jobs. The African American church suffers from a large percentage of its pastors being bi-vocational having to divide their time and attention among multiple responsibilities. An equitable compensation plan could clearly benefit this segment of the church community.

There are multiple opinions as to why pastoral compensation tends to lag behind other professions. Some of the opinions are based on facts and some are myths. Recent studies indicate that there is a large supply of smaller churches and a large supply of pastors to fill these roles. This fact tends to depress compensation levels in the smaller churches. Economically, when supply is equal to or greater than demand, compensation tends to be lower.

Instead of looking to economics for guidance in setting clergy compensation, churches are now realizing that their compensation goals need to focus on what is fair to the pastors and their families and what is good for the church as a whole.

Another favored opinion is the belief that these servants should be focused on their call versus the level of compensation. This thinking is unfortunate and inconsiderate of the pastors and their families. Many pastors invest time and finances in preparing for their ministry. They deserve to be compensated at a level that positions them to repay loans and realize a return on their investment. This thinking also leads to the erosion of highly competent and skilled pastors who elect to leave vocational ministry because of compensation concerns. While pastors certainly should be focused on their mission to the community and their constituents, they too have families and financial obligations.

In order to reverse some of the negative trends of high quality leadership leaving the church because of compensation, churches need to develop and implement an equitable compensation plan which provides the appropriate level of compensation to pastors. The key to the development of such a plan is the establishment of appropriate compensation goals coupled with comprehensive plan components that clearly benefit the pastor. The goal(s) should ensure that pastors can have at least a comfortable middle income life and not be pressured to consider leaving the clergy field to provide for their families now and in the future. An equitable compensation plan should compensate pastoral leaders for their investment in education, as well as for their talent, experience, and effort.

An equitable compensation plan for pastors is built upon three basic categories: cash compensation, benefit package, and ministry reimbursement allowances. A carefully crafted compensation plan protects both pastors and churches from unexpected setbacks and helps pastors plan a more secure financial future.

How does a well-planned pastoral plan benefit both pastor and congregation?

## Three Major Components of a Compensation Plan

Compensation plans for pastors consist of the following three categories:

- (1) Cash compensation which includes the pastor's cash salary and housing allowance, equity allowance if the pastor family lives in a parsonage, cash equivalents such as the Social Security offset.
- (2) Benefit package which includes a retirement savings plan, life insurance, disability insurance, health insurance. It should also include paid sabbatical, paid vacation, and paid short term illness. These contribute to a pastor's feeling of well-being and security.
- (3) Ministry reimbursement allowances which include work-related travel, book and education allowance, convention allowance, seminar and training workshop allowance, hospitality allowance. These benefits help pastors with day-to-day costs of performing their responsibilities.

It is important that churches and pastors consider the tax implications of each cash compensation component when designing the compensation plan. The following chart describes the tax requirements of the various cash compensation components

### Cash Compensation:

- A Cash salary
- B Housing allowance
- C Social Security offset
- D Equity allowance

Amount subject to federal tax:	(A+C)
Amount subject to state, local, and SECA taxes:	(A+B+C+D)

# A Closer Look at the Three Compensation Components

The following section provides greater detail of the three major compensation components: cash compensation, benefit package, ministry reimbursement allowances.

## (1) Cash Compensation

The cash portion of a pastor's compensation consists of the following components.

### Salary

A pastor's cash salary can be subject to federal, state, and local income taxes. It also serves as the basis for calculating allowable retirement plan contributions.

Increasing the cash portion of a compensation package will obligate the pastor to pay more in taxes.

Reducing cash salary can potentially limit a minister's contribution to his or her retirement plan. Few ministers set aside 100% of their salary for retirement, so this is a lesser concern.

### Housing/parsonage allowance

The housing allowance allows credentialed staff to deduct the cost of housing from income subject to federal taxes. The amount of the allowance should cover the cost of maintaining a home: mortgage or rent payments, taxes, repairs, insurance, furnishings, utilities, and the like. For federal income tax purposes, the excludable amount of a housing allowance is limited to the lesser of:

- (a) The amount designated by the church, or
- (b) The amount actually spent on housing by the minister for the year, or
- (c) The fair rental value of a furnished house, plus utilities such as gas, electricity, oil, telephone and water.

A minister cannot exclude more than his or her church designates, so the designated amount must at least be enough to cover items a or b above. If the designated amount exceeds the lesser of item a or b, the minister must report the excess as taxable income.

The church's governing board must designate the housing allowance portion of a minister's salary in advance of when that salary takes effect. The minister is responsible for documenting actual housing expenses.

### **Housing allowance example**

\$22,000 -- Church designated

\$19,000 -- Real estate agent's rental value estimate

\$17,600 -- Minister's actual expenses

In this example, the church designated \$22,000 of its minister's salary as a housing allowance. A real estate agent's estimate of the rental value for a similarly furnished house came to \$19,000, so the church's designation was too high.

But when the minister added up actual mortgage payments, utility, and maintenance costs for the year, the total was even lower: \$17,600. Since that is the least of the three amounts, the minister can only deduct \$17,600 from federally taxable income.

For a minister living in a parsonage, the church does not report the rental value or any utility costs paid or reimbursed by the church as income for federal income tax purposes. However, the minister must count the parsonage rental value, utilities, and parsonage allowance as income when calculating the SECA tax. A church should base the rental value on what the parsonage could be rented for in the community. A local real estate agent can help with this determination. Alternatively, your church can use 1% of the market value of the parsonage. For example, if the parsonage market value is \$100,000, the monthly rental value would be \$1,000.

### **Social Security-Medicare tax offset**

While ministers are employees for federal income tax reporting purposes, they are self-employed for Social Security purposes with respect to services they perform in the exercise of their ministry. This "dual status" means they are not subject to withholding requirements for the employee's share of Social Security and Medicare taxes. Instead, they pay a Self-Employment Contributions Act (SECA) tax.

Churches are not permitted to pay the SECA tax for their pastors; however, most churches assist ministers by providing them with a Social Security/Medicare tax offset of at least 50% of the SECA tax. This provides an equivalent of Social Security/Medicare taxes that the church would pay on behalf of a lay church worker.

### **Equity allowance for ministers living in a parsonage**

Unlike homeowners, ministers living in parsonages do not build equity in their homes. Many churches help compensate for that by paying an equity allowance that is not subject to federal income tax.

Which of these cash (salary) compensations are included in your pastor's package? Which do you want to work on?

## **(2) Benefit Package**

A good benefits program is essential for maintaining employee health and morale. There are four general categories of benefits. Churches should offer all four benefits to the pastors if feasible. These benefits protect pastors so that they can fulfill their ministry knowing that they and their family will be cared for.

- Retirement savings
- Life insurance
- Disability insurance
- Health insurance

### **Retirement savings**

By helping the pastors build assets for the future, retirement savings plans provide confidence that helps pastors fulfill their ministry while securing their future. They also assure pastors that they will not have to work beyond the point where they, or the churches, want them to.

To fully appreciate the importance of saving for retirement, individuals developing the compensation plan should consider the following:



- According to data compiled by the Social Security Administration, a man retiring today at age 65 can expect to live to age 83. A woman can expect to live to age 85. And those are just averages. One in ten 65-year-olds can expect live past age 95. That means their retirement savings must last 18 to 30 years.
- Financial advisors generally assume that a retiree will need 70-80% of his or her pre-retirement income. So a pastor earning \$50,000 a year at retirement may need \$35,000-\$40,000 a year for 18 to 30 years.
- A rough rule of thumb recommends that retirees in their mid-60s should have 20 times their targeted in-come in savings. The pastor in the above example would need \$700,000 to \$800,000. A well-structured retirement plan can help build up the necessary savings. The tax advantages of 401(k) plans, 403(b) plans, and traditional IRAs are similar. Amounts contributed today are excluded from current taxable income. Taxes on the invested amount, along with any investment growth, are deferred until the funds are withdrawn during retirement years.

## **Life insurance**

The death of a loved one is traumatic enough without the added anguish of not knowing how surviving family members will meet their expenses. A life insurance plan offers vital protection against economic catastrophe. It also makes it easier for your church to support the family without undermining the church's ministry.

Most employer-provided insurance is offered as group term life. When insurance is purchased through a group plan, the premium is almost always lower than what an individual would pay for a private policy.

## **Disability insurance**

People often think that only older workers become disabled. But even young and healthy workers are at risk of becoming disabled from a car accident, sports injury, or other occurrence.

According to the Council for Disability Awareness, a 35 year-old male office worker with some outdoor physical responsibilities faces a one-in-five chance of being disabled for 90 days or longer before he retires. A 35-year-old woman faces a one-in-four risk. For such workers, the average length of disability is six years and nine months.

A disability insurance policy provides replacement income. It allows your church to continue its ministry by freeing resources that might otherwise be required to support the disabled minister.

Employer-paid premiums for disability insurance are not taxable for employees. They only pay taxes on income paid by the policy after they are disabled. As with employer-sponsored life insurance, group disability coverage is usually less expensive than an individual policy.

### **Health insurance**

The current health insurance system gives significant preference to employer-provided health insurance plans. For most employees, group health insurance costs less than a private policy.

Under Internal Revenue Code sections 105 and 106, employer-provided health benefits, including claims reimbursements and insurance, are generally excluded from taxable employee income.

### **Other Benefits**

**Paid leave**—Most compensation packages typically specify how much paid leave a minister can take. Since this doesn't increase or reduce the pastor's salary, the dollar value is generally not stated.

**Paid sick leave**—Most churches establish a certain number of days per year for sick leave. Ten days per year is a common option. Most pastors work more than enough hours to compensate for any days off due to illness.

**Paid holidays**—The Fourth of July, Labor Day, Thanksgiving Day, Christmas, New Year's Day, and others are considered paid holidays. Pastors must often work on holidays and it is appropriate to allow them days off in lieu of the actual holiday date.

**Paid vacations**—Generally negotiated by the pastoral search committee or other church board in the hiring process. A typical starting point would be three weeks in the first year of service.

**Additional paid days**—Paid time for working with ministerial organizations, jury duty, military training, bereavement and advanced education are all items to consider. Establish a limit of paid days to limit church liability.

**Paid sabbatical**—This benefit can be tailored to ensure value to the church, e.g., requiring the pastor to remain with the church for a certain period of time post-sabbatical. See Appendices L and M for policy and proposal guidelines.

Which of these benefits are included in your pastor's package? Which do you want to work on including? Which could you include with little or no dollar cost? How would your pastor receive such a benefit?

### **(3) Ministry Reimbursement Allowances**

Church staff are often expected to make home visits, represent the church at conferences, entertain guests, and develop professionally through continuing education. It is important to budget and reimburse these items separately from compensation. Otherwise, the pastor will have to pay taxes on the reimbursed amounts.

The key is to reimburse business/ministry expenses through an accountable plan. Under this arrangement, ministry-related expenses are not reported as taxable income on the employee's Form W-2 or Form 1040. At the same time, the employee cannot claim these expenses as tax deductions.

#### **Requirements for an accountable plan for reimbursement**

Expenses must be incurred while performing services as an employee of the organization.

The employee must provide documentary evidence of the expense. This can be an auto mileage record of work-related use of a personal car or receipts to verify expense amounts, plus a notation of the time, place, and professional purpose for each expense.

Expenses must be reported and substantiated within 60 days of when they occurred.

An accountable plan cannot be funded through salary reduction. The reimbursements must be over and above any salary paid to employee, from a spending category that is listed in your church budget.

Excess reimbursement not spent must be returned. Otherwise, it becomes taxable income.

### **Allowable ministry reimbursable expenses**

Reimbursable work-related expenses are those expenses incurred by the pastor during the administration of ministry related functions in which the organization benefits. Such expenses include:

- business-related travel
- automobile mileage
- hospitality expenses
- conference, seminar, workshop expenses
- continuing education
- subscriptions/books/periodicals
- fees and dues for professional associations
- work-related cellphone use
- and other justifiable work related expenses.

Which of these ministry reimbursements are included in your pastor's package? Which do you want to work on including? How would your pastor receive such a benefit?

## **Closing Words**

Church leaders can begin to reverse the negative trends of high quality leadership leaving the church because of economic challenges. These leaders will become more aware of pastoral compensation issues and work toward the implementation of equitable compensation plans for their pastors. The key to the development of such plans is the establishment of appropriate compensation goals coupled with comprehensive and equitable plan components that clearly benefit pastors.

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**James L. Brown, Sr.** serves *Servant Solutions* as Director of Retirement Planning in a major effort to reach underserved constituencies of the Church of God. He is a retired officer with the Federal Reserve Bank in Atlanta, Georgia, and is currently senior pastor of the Cove Road Church of God in LaFayette, Georgia. He also serves as the Chief Financial Officer of the National Association of the Church of God, West Middlesex, PA. As a former Trustee for *Servant Solutions*, he understands the needs of ministers, missionaries, and lay-workers to have a well-constructed compensation package that includes contributions to the Retirement Plan. James and his wife, Charel, live in Decatur, GA.

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# Chapter 4

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## Pastoral Compensation and the IRS

Julie Nance

*"Give therefore to the emperor the things that are the emperor's, and to God the things that are God's."* (Matthew: 22-21)

### Opening Words

There is a saying that the only things one can count on are death and taxes. Tax rules are difficult enough for every American, but when you are a member of the clergy, you've entered a whole different world regarding the handling of your income taxes. Many ministers and church treasurers make mistakes that end up costing the minister to either pay too much in taxes or under report their income. The purpose of this chapter is to address the most common errors. There is not enough room here to address any issue in depth, but hopefully, information will be provided to guide you in the right direction to find your answers.

### IRS Definition of a Minister

Before one can address the various tax laws that apply to clergy, one must understand how the IRS defines a minister. There are two Treasury Regulations that help with this process:

- Treasury Regulation §1.1402(c)-5 requires that an individual be a "duly ordained, commissioned, or licensed minister of the church" (IRS – Minister Audit Technique Guide). If a person is a member of a denomination or religious movement that has an established process for ordination for all ministers, the IRS will not normally recognize the ordination of a person by an individual church. It is essential that one verifies that their ordination, commission, or license is recognized by the IRS prior to claiming IRS tax benefits.
- Treasury Regulation §1.1402(c)-5(b)(2) provides that service performed by a minister in the exercise of the ministry includes:

- Ministration of sacerdotal functions (communion, baptism, and other religious duties based on the tenets of the religious body);
- Conduct of religious worship;
- Control, conduct, and maintenance of religious organizations (including the religious boards, societies, and other integral agencies of such organizations), under the authority of a religious body constituting a church or denomination. (IRS – Minister Audit Technique Guide)

Over the last few years, the question has been raised as to whether youth ministers, worship ministers, and other specialty ministerial positions fulfill the IRS definition of a minister. This issue has been brought before the tax courts, but there have not been consistent rulings. Therefore, the more a specialty minister participates in the conduct of worship, administration of the sacraments, and performance of sacerdotal duties, the greater the possibility of being recognized as a minister (Hammar, 2016, p. 95).

## **Dual Status**

For income, Social Security, and Medicare purposes, a minister carries dual status with the IRS. It is essential that ministers and church treasurers have a clear understanding of these statuses, since these statuses will directly impact income reporting at the end of the year. Ministers are considered employees for income tax purposes and self-employed for Social Security and Medicare purposes. What does this mean?

- By being considered employees for income tax purposes, a minister receives a Form W-2 at the end of the year.
- By being considered self-employed for Social Security and Medicare purposes, a minister pays SECA tax instead of FICA. This will be explained below.

## **Form W-2 versus Form 1099-MISC**

Some ministers and church treasurers will argue that pastors should receive a Form 1099-MISC as opposed to a Form W-2 at the end of the year to report the minister's income. It is true that ministers can declare themselves self-employed for all aspects of their ministry income, however, this is an extremely dangerous choice. If the minister is audited and the IRS determines the income came from an employment arrangement, they will reclassify the

minister and this could result in large penalties and interest. Ministers benefit from classifying themselves as employees for the following reasons:

- the value of various fringe benefits is not subject to federal income taxes;
- the risk of an IRS audit is substantially lowered; and
- additional taxes and penalties are avoided that apply to self-employed ministers who are audited by the IRS and reclassified as employees (Hammer, 2016, p. 70).

Thus, a minister should declare themselves as employees and receive a Form W-2 at the end of the year to report their income.

## **Taxable Income**

Taxable income for ministers can be rather confusing to calculate. As was mentioned above, some fringe benefits are considered “pre-tax” and therefore not taxable. Some income may not come through the church but from providing special services. So how does a minister determine what income they must report? The following section addresses various forms of income.

### Fringe Benefits

The IRS has determined several fringe benefits that can be deducted from taxable income as “pre-tax” dollars. As an employee, a minister can deduct these benefits from their salary prior to calculating the taxable income amount which appears in Box 1 of their Form W-2. These benefits can include, but not be limited to:

- **Code D** – Elective deferrals to a Section 401(k) cash or deferred arrangement.
- **Code E** – Elective deferrals to a Section 403(b) salary reduction agreement.
- **Code W** – Employer contributions (including amounts employee elected to contribute using a cafeteria plan) to employee’s health savings account (HSA).
- **Code AA** – Designated Roth contributions under a Section 401(k) plan.



- **Code BB** – Designated Roth contributions under a Section 403(b) plan.
- **Code DD** – Cost of employer-sponsored health coverage (nontaxable).

(1040 Quickfinder, 2015, p. 4-6)

These codes are recognized as benefits on a Form W-2 in Box 12. It is important to note these deductions cannot be claimed if the minister is claiming self-employed status and reporting their income and expenses on Schedule C.

### **Form W-2, Box 1 Taxable Income**

Ministers can receive compensation from the church as salary, as well as from performing services such as weddings and funerals. Both are taxable for income tax purposes but are handled separately. The following types of income are reported in Box 1 of a minister's Form W-2:

- Salary minus housing/parsonage allowance.
- Special gifts – Christmas, service anniversary, pastor appreciation, and the like.
- Reimbursements under a nonaccountable reimbursement plan (discussed later).
- SECA taxes paid by the church.

Example of Box 1 income: Minister Bruce receives \$45,000 in his compensation package. He and the church have established that \$12,000 will be set aside as housing allowance, \$5,000 will be contributed to his 403(b) pension plan. The amount that would appear in Box 1 of Minister Bruce's Form W-2 would be \$28,000. (Further discussion of completing Form W-2 will occur later in this chapter.)

### **Schedule C Income**

Ministers often times receive income for performing other ministerial services above and beyond their regular church duties. These services can include, but are not limited to weddings, funerals, baptisms, revivals, guest

speaking, and the like. These payments may be received directly from the individuals or organizations. If the income totals more than \$600, the minister should provide the organization with a Form W-9 (see Appendix B for example) and receive a Form 1099-MISC from the organization stating the total income.

Ministers report this type of income on Schedule C on Form 1040. They are able to deduct expenses that are directly connected to this income on Schedule C. Please note that it is essential that only expenses that can be directly connected to this additional income are reported on Schedule C. Unreimbursed expenses directly related to church compensation are reported on Form 2106 (to be discussed later).

Example of Schedule C Income: Minister Samantha is invited to be the main speaker at a three-day revival at First Church. Minister Samantha provides First Church a Form W-9 when she arrives at the church. Minister Samantha receives \$3,000 for the revival. At the end of the year, First Church provides Minister Samantha a Form 1099-MISC. Minister Samantha also performed three weddings for which she received a total of \$1,000. Lastly, Minister Samantha performed two funerals for which she received \$300. When Minister Samantha prepares her tax return, she will claim \$4,300 of taxable income on Schedule C. She will be able to deduct any expenses directly connected to this income on Schedule C.

## **Reimbursements**

Churches can reimburse pastors under one of two plans, accountable and nonaccountable. The difference is whether the reimbursement becomes taxable income to the minister.

The best method is the accountable reimbursement plan. If the minister follows the steps of the accountable reimbursement plan, the reimbursement does not have to be reported to the IRS. Under this plan:

- Ministers must substantiate their expenses via receipts to the church treasurer within 60 days of the expenditure.
- Ministers cannot be reimbursed more than the actual expense.
- If a minister receives an advance payment for a trip (conference, seminar, or other ministry based experience), the minister must sub-

mit receipts of the amount actually spent. The unused portion of the advance payment must be returned within 60 days of the minister's return.

- The reimbursement account cannot be established via a salary reduction plan. Under a salary reduction plan, the intention is for the minister to receive the entire amount whether they actually spend it or not. Thus, it negates the entire reimbursement process and all reimbursements become taxable income to the minister and must be reported in Box 1 of Form W-2.

The key to keeping the accountable reimbursement plan intact is that the minister be reimbursed only for expenses that are substantiated in a timely manner. In IRS language, timely manner means within 60 days. If the church establishes an expense account for the minister and this account is not fully used by the end of the year, the church cannot pay the minister the remaining unused portion or it will negate the accountable reimbursement plan and all reimbursements throughout the year will become taxable income to the minister.

Example 1: First Church establishes a \$3,000 expense account for Minister Dean. Throughout the year, Minister Dean provides the church treasurer with receipts for each of his expenses within the 60-day time limit. At the end of the year, Minister Dean had only spent \$2,500. The church does not pay Minister Dean the remaining \$500. Therefore, the reimbursement system has remained accountable and the reimbursements are not taxable to Minister Dean.

Example 2: Same situation as in Example 1, however, at the end of the year, the church pays Minister Dean the remaining \$500 left in the account. It was the intention of the church that Minister Dean receive the full expense account, whether or not he actually substantiated using the money. The IRS has determined this is a violation of the accountable reimbursement system. Therefore, all reimbursements to Minister Dean are taxable income and must be reported in Box 1 of his Form W-2.

## **Housing/Parsonage Allowance**

One of the greatest tax benefits for ministers is the housing allowance. The housing allowance is a designated portion of ministers' compensation plans deducted from their salary for which they do not pay income tax. Ministers are required to pay self-employment tax on the housing allowance.

The church must declare in written form the amount designated as housing allowance before each calendar year begins. It is essential that churches and ministers recognize that housing allowances are not retroactive. For example, if the church waits until February 15<sup>th</sup> to declare the housing allowance, the minister will only be able to count expenses from that point forward towards substantiating the designated amount.

Many churches and ministers can create an open-ended resolution to be placed in the church board minutes that keeps the current housing allowance in place unless the church or minister requests a change. This is actually the safest procedure. (See an example of a housing allowance resolution in the Appendix D.)

There is a drawback regarding the housing allowance. The IRS utilizes three different numbers to determine how much can actually be excluded from taxable income. These are:

- The amount actually used to provide a home,
- The amount officially designated as a housing allowance, or
- The fair rental value (FRV) of the home, including furnishings and appurtenances such as a garage plus the cost of utilities (IRS – Minister Audit Technique Guide)

The IRS will use the smallest of these three numbers to determine the excludable portion. If the amount designated is higher than the determined excludable portion, the difference will become taxable income and will be reported on line 7 of Form 1040. (See the Appendix F for various examples of handling housing allowance.)

## **Voluntary Withholders**

As mentioned earlier, the dual status of minister provides a very unique opportunity for ministers. Churches are not required to withhold federal income, state, or locality taxes for ministers (taxes must be withheld for

nonministerial staff). However, ministers can voluntarily elect to have their federal income, state, and locality taxes withheld. If the pastor elects to become a voluntary withholder, the church must honor this request.

## **SECA versus FICA**

Since ministers are considered self-employed for Social Security and Medicare purposes, they do not have the normal 7.65% FICA tax withheld from their pay. The minister is responsible to pay the entire 15.3% SECA tax. This is usually accomplished through the payment of quarterly estimated taxes.

**Note: If the church budgets to pay the SECA tax on behalf the minister, it must be reported as taxable income in Box 1 of Form W-2.**

The IRS has determined that the following items are to be included in the calculation of SECA tax:

- Salaries and fees for services, including offerings and honoraria received for marriages, funerals, baptisms, and such. Also include gifts which are considered income (all gifts that come through the church finances – love offerings, Christmas gifts, anniversary gifts, pastor appreciation, and so forth)
- Any housing allowance or utility allowances
- Fair Rental Value (FRV) of a parsonage, if provided, including the cost of utilities and furnishings provided
- Any amounts received for business expenses treated as paid under a nonaccountable plan, such as an auto allowance
- Income tax or self-employment tax obligation of the minister which is paid by the Church (IRS – Minister Audit Technique Guide)

A useful tool to help ministers in determining the SECA responsibility is IRS Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

It is essential that ministers keep track of quarterly estimated tax payments, these amounts are included in calculating their income tax liability on Form 1040.

Some ministers may determine that they wish to be excluded from paying SECA taxes. A minister should consider this very carefully as it is an irrevocable decision. It can also negate any Social Security benefits in the future. Before making such a decision, the minister must take the time to plan now for their retirement future.

The IRS has established specific guidelines that must be met for a minister to be exempted from paying SECA tax. These include:

- Be an ordained, commissioned, or licensed minister of a church or denomination. Treas. Reg. § 1.1402(c)-5
- File Form 4361. This is an application for exemption from self-employment tax for use by ministers, members of religious orders, and Christian Science practitioners. Treas. Reg. § 1.1402(e)-2A(a)(1)
- Be conscientiously opposed to public insurance (Medicare/Medicaid and Social Security benefits) because of religious beliefs. Treas. Reg. § 1.402(e)-2A(a)(2)
- File for exemption for reasons other than economic.
- Notify the church or order that he or she is opposed to public insurance. Treas. Reg. § 1.402(e)-5A(b)
- Establish that the organization that ordained, licensed, or commissioned the minister is a tax-exempt religious organization.
- Establish that the organization is a church or a convention or association of churches.

(IRS – Minister Audit Technique Guide)

To be considered for this exemption the minister must submit Form 4361 within two years of the first \$400 earned for ministerial services. After that time, the minister is no longer eligible to file for the exemption.

### **Reporting of Employee Business Expenses**

If ministers have expenses that are directly connected to their ministerial income which are not reimbursed under an accountable reimbursement plan with the church, they can claim these expenses on Form 2106. There is a major catch. Form 2106 can only be used if the two following criteria are met:

- The minister is able to file a Schedule A.
- The expenses exceed 2% of the minister's adjusted gross income (AGI).

When calculating the amount of business expenses, it is essential that the minister be able to provide a direct business connection to the expense. This can be accomplished by writing the date, purpose, and, if a meal, the persons included on the bill and the connection to the business.

**Example:** Throughout the year, Minister Cox meets regularly with the Chairman of the church board and the church treasurer for lunch prior to the monthly board meetings. Minister Cox pays for each of these lunches. On the receipt, Minister Cox writes the date, the purpose of the lunch (to discuss board meeting), and the names of those present (chairman and treasurer). If audited, Minister Cox will be able to provide the direct business connection with this receipt.

The IRS has reduced its staff. This has caused the utilization of correspondence audit letters which request additional information to verify reported income and expenses. These letters will provide specific details of the additional information being required by the IRS. If a minister receives a correspondence audit letter from the IRS requesting substantiation of business expenses, they will require the minister to submit hard copies of all these types of receipts and a direct business connection. Therefore, it is essential that complete and accurate records be maintained.

### **Completion of Important Tax Forms**

Churches must report their employees' income and withholdings to the Social Security administration and state revenue department. The frequency of reporting depends upon the amount of withholdings. If a church only has a minister and no other employees, they only need to report annually if the total withholdings are less than \$1,000. If churches have both ministerial and nonministerial employees, they may have to report quarterly. Again, this will be determined by the amount of withholdings. (See the Appendices G, H, and I for examples of proper completion of Form W-2, Form 941, and Form 944.)

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While Dr. Nance has served the church in a wide variety of positions, her passions are in the areas of church administration, church law, and IRS regulations for churches and clergy.

Dr. Nance has traveled the United States leading seminars in church administration and IRS compliance. She has served Warner University and Mid-America Christian University as an adjunct professor.

Currently, Dr. Nance serves as the Program Director and assistant professor for the Mid-America Christian University's CAGS Christian Ministries Degree Program. Her desire is to help individuals find and develop their role in the body of Christ, to help churches stay in compliance with federal and state tax regulations, and to help churches find and fulfill their mission and vision effectively.

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# Chapter 5

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## Keeping Your Pastor Healthy

Randall W. Spence

*"The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. For the Scripture says, 'Do not muzzle the ox while it is treading out the grain,' and 'The worker deserves his wages.'"* (2 Timothy 5:17-18)

### Opening Words

In many churches the topic of pastoral compensation and related matters is an uncomfortable issue. The pastor's salary is often the last consideration in the church budgeting process. When dollars are tight, the temptation for church boards is to fund other fixed and ministry costs and then give consideration to the pastor's compensation. Since pastors are typically not motivated and driven by money, many will shrug it off as a part of the price one pays for a life in church ministry. While this may seem a noble and spiritual thing to do, long-term it does not go without a price. Inadequate compensation and opportunity for renewal come with a price to a pastor's health---emotionally, physically, and even spiritually.

Here are some pertinent considerations:

- 1. A compensation package is not the same as a salary.** I remember one church board with which I worked on their pastor's compensation. Everything (salary, housing allowance, auto, pension, entertainment, and insurance allowance) was all lumped into one number. When I asked, "But what is your pastor's actual income?" the response I was given was the total compensation number. One board member even boasted that he generally opposed any increase to the pastor's package because in his estimation the pastor made too much money. I then worked with that board to extract as best we could what the pastor had as his actual cash income. Once we carved all the benefits and expenses for doing ministry out of the

package, the actual salary portion was quite small, embarrassingly small. The board had no idea. To the credit of this one board member, he acknowledged his wrong assumption and moved to give the pastor a significant increase, which the board proceeded to do. That board also determined they would no longer lump all pastoral related expenses into pastoral salary.

- 2. Many pastors are under stress due to inadequate income.** While many will never openly complain or even ask for a raise, they are less than effective in their ministry. Too much time and mental energy is spent worrying over the bills or the kids need for new shoes. I remember those times well when I thought too much about money because there was so little of it. Stress is cumulative and in time stress over inadequate income will have a negative effect on the pastor's mental, spiritual, and even physical health.
- 3. Some pastors will leave their church because of pay and related issues such as inadequate renewal time.** Through the years I've heard a lot of spiritualizing such decisions when the bottom line truth is they could either no longer survive financially or they were worn out. Usually the two go hand in hand.

Barnabas Ministries shares the following pastoral statistics:

- 19,200 pastors annually are expected to leave the ministry.
- 90% of all pastors feel inadequately trained to meet the demands of the job.
- Almost 24% have faced a forced termination.
- 42% of full-time pastors work between 50—59 hours a week.
- Church attenders come with an expectation that their pastor cover an average of 16 crucial tasks. No one can handle that wide a range of responsibilities that people expect their pastor to master.
- 45% of pastors say they have fallen prey to depression or burnout to the degree they have needed to step away from their ministry role for a leave of absence.
- Roughly 30—40% of religious leaders eventually drop out of ministry.

- 48% of pastors say that being in ministry has been hazardous to their family.
- 56% of pastors' spouses say they have no close personal friends.

The reality is that pastors often feel they are living on a treadmill. They go from visiting the hospital to writing a sermon to meeting with congregational members and boards. Often because they are people pleasers by nature they keep running until one day, if not guarded against, there is no passion or energy left. They become exhausted and depleted as a result.

The intent of this chapter is to share ideas for how a congregation can better care for their pastor and do what is needed to guard and preserve their pastor's health---mentally, physically, and spiritually. I write from the perspective of 30 years as a pastor and 10 years of service as a state pastor. Some of these suggestions involve money while others involve only time. All of them are worthy of strong consideration.

### **Monetary Considerations for Pastoral Health**

Every church budget should break down the cost of pastoral ministry into three components---salary and housing, benefits, and the cost of doing ministry such as auto reimbursement for church business miles driven. I will address the benefits component in the pages to follow.

**Health Insurance.** Every pastoral family needs health insurance but many lack it. And in groups like the Church of God, getting a national or a state plan has proven to be an insurmountable obstacle. That is in part due to the fact that insurance carriers consider the Church of God as an "association of churches" and not a denomination due to the voluntary nature of our structure. Across the board participation is not required thus getting a state or national group plan is an insurmountable obstacle.

Every church should provide the money for health insurance for its pastor(s) and family and as such it should be a budgeted item. The rules have changed in regards to insurance in that in many cases the money a church spends or gives for insurance can no longer be considered as a non-taxed benefit. Tax counsel should be sought in such matters as to what is taxable and what is not.

The stories of pastoral families who have had to file for bankruptcy due to a lack of insurance coverage are many. I know of one pastoral family that did not have health insurance coverage because the church did not provide it and their salary was so low they could not afford it. One of them became ill and ended up in the hospital with a subsequent surgery and extended hospital stay due to complications. Through tears this pastor told me of their being forced to file bankruptcy and the embarrassment it brought to them. And what hurt them most of all was that the church did not attempt to come to their aid but allowed the bankruptcy to take place. The congregation they served offered only to pray for them in their crisis.

The recommendation here is that when at all possible, given the usually low salary that most pastors receive, that the church absorb the full cost of the insurance. If and when that is not possible, the church should pay the greater portion and have the pastor pay a portion of the cost as most companies do today. The bias, however, should always be for the church to pick up the total premium understanding that in most cases the pastor will have to pay income tax on the premium amount.

**Dental and Vision Insurance.** The effort to provide comprehensive health coverage should always be made and that includes dental and vision insurance, especially given the sparse nature of the average pastor's budget. Kids get cavities and often need braces while older pastors and spouses need crowns and fillings and glasses.

**Disability Insurance.** What happens should the pastor be involved in an auto accident or becomes otherwise disabled? Will the church be prepared to support the pastoral family indefinitely or will they essentially in time need to be released? No church can afford to support a pastor under such circumstances. Thus the need for disability insurance, especially given the difficulty in receiving Social Security disability.

Do we need to supply short-term disability or long-term or both? One way to determine the answer is to explore what each covers and at what point will the coverage kick in. The church could agree in its internal policies and with the pastor that in the event of a disability situation that the church will continue to cover the pastor's wage for three months or six months or whenever the disability insurance would begin. While we profess to be a people of faith, we must be prepared for the worst-case scenario.

**Life Insurance.** Some health insurance plans offer the addition of term-life insurance for an additional premium. Generally an employer can provide up to \$50,000 of insurance without it becoming a taxable benefit. Typically the pastor's spouse is the beneficiary.

It is recommended in all the above related insurance matters that the church seek the counsel and guidance of a good insurance broker who can advise and give options and sell product. Having a good insurance agent is a valuable asset for many reasons including shopping around for the best products at the best prices and then servicing the client as well.

**Key-Life Insurance.** This is a policy that the church might take out on the life of their pastor, which the church owns and to whom the money would go in the event of his death. Many corporations make this a practice as they consider the value of their chief executive to them and what it would cost them should he die while in office. Increasingly churches are beginning to pick up this practice. I know of one church that owned such a policy on their pastor who died while in office. The subsequent funds from the insurance policy enabled them to provide ongoing support to the pastor's spouse as well as bring in an interim pastor.

**Pension.** In the beginning of my ministry I was an associate pastor. I remember sitting in a board meeting in which pastoral compensation and benefits were discussed. The senior pastor's pension was mentioned but there was no pension for the associate. After all, the board may have reasoned, he's only in his twenties and it isn't that important to him. I remember speaking up and stating that I, too, would like to be in the pension program. The response was for me to get myself into it. I did. At first I had it taken from my paltry salary but in a couple of years the board began to pay my pension contribution. Fast forward many years and I am now drawing from that pension. Every time I see that money in our bank account I thank God that I spoke up and that I found a way to begin that contribution which became ongoing until recently.

One of the things many pastors have in common is a lack of insight and understanding about money. Again, pastors tend not to be motivated by money or to think much about it until and unless there isn't enough of it. As a result, the young pastor is apt not to think that one day she will grow old and need or want to step aside from full-time ministry. Thus if left to her own devices, she is likely to prepare inadequately for that eventuality thus

long-term punishing both herself and her family. It is for this reason that every congregation should see that their pastor is enrolled in a retirement program such as Servant Solutions of the Church of God. The value of contributing to a church related plan as opposed to other plans is that 100% of the money received in retirement is eligible to be considered as housing and thus is not taxable income up to the actual amount of one's housing expenditure. Again a tax accountant's counsel should be sought on such matters to know how much can be considered tax-free.

The suggestion here is that the church annually budget 11% of the pastor's salary and housing amount as pension. This should not come out of the pastor's salary but be in addition to his salary. This amount should not go to the pastor but be paid directly to the pension source. In this way it is a non-taxed benefit. Never give the money to the pastor to contribute as the moment the church does so it becomes taxable income. And in those cases where the church simply gives the pastor a lump sum and asks him to divide it out, there is a good chance that little to none of it will end up going into a pension account, especially if the pastor's salary is little and there is a family to feed.

In some cases, where necessity dictates, the church may contribute 8% and ask the pastor to contribute the other 3%. This should be done only if absolutely necessary, however, again given that most pastors are working on a low pay scale and may not be able to make the 3% contribution.

In my work in state ministry I have seen a number of pastors who want to retire and in some cases should retire but cannot due to the fact their church never enrolled them in a pension program. Don't let that be true of your pastor and don't wait for them to take the initiative.

**Continuing Education and Book Allowance.** Pastoring is all about giving. The pastor gives in the sermons she preaches, the lessons she teaches, and the counseling that she does. The pastor is always in a giving mode. However, if it is all giving out but little to no taking in, one day the pastor will wake up and realize that the well has run dry. It is in that moment that the pastor will be pumping up only dust from an empty well rather than the living water.

Every successful and prospering ministry is led by a pastor who is a life-long learner, one who sees the value and the necessity of ongoing education and reading. In fact I often say that if you are not growing, you are dying. For this

reason the wise church will expect their pastor to be in a growth mode. This does not necessarily translate to formal academic education but seminars, conferences, and good books that feed the mind and soul. As pastors seek to lead, feed, and inspire the congregation, so also do pastors need the same.

Every church budget should provide the monetary and time allowance for the purchase of good books and attendance at appropriate conferences and seminars. Talk to your pastor about what conferences she wants to attend in the coming year.

### **Attendance at the Church of God Convention and Regional Meetings.**

Money and time should also be budgeted for your pastor to attend these church wide events. One of the values of such is that it is a good reminder to a pastor that he is a part of something far bigger than his own church and, as a member of the General Assembly, gives his a voice in the decisions of the larger church. He is your representative at these events.

Another value is the opportunity to be fed and inspired. It is an opportunity to take in rather than give out. It is one of those ways to have the pastor ministered to. It is also an opportunity to network with other pastors and to discover new ideas and ways for ministry.

**Provision for a Coach.** Pastoral ministry lends itself to isolationism. However, ministry is too difficult and complex to be done alone. All pastors need someone to walk with them to keep them focused and accountable. By providing the funding for the pastor to hire a coach she can have someone with whom she meets on the phone or online once or twice a month who can serve her as a resource as well as an accountability person. A coach can help keep the pastor focused and in a growth mode. A coach can help spur her on to greater heights as well as serve as an encourager and cheerleader.

### **Non-Monetary Considerations for Pastoral Health**

It doesn't always have to cost money to provide for your pastor's health and well-being. In fact, one of the best ways the church can express love and care for their pastor is spelled t-i-m-e. That is time away for rest and renewal. In the suggestions given below, the only monetary cost to the church is perhaps a guest speaker and occasionally a little more. While the cost may be little, the benefits can be priceless. Your pastor and family will thank you and the church will be the beneficiary.

Peter Drucker, the late management guru, said that the four hardest jobs in America (and not necessarily in order, he added) are the president of the United States, a university president, a CEO of a hospital and ... a pastor. And the reasons pastoring is so hard has little to do with the nature of the tasks a pastor carries out. The difficulty lies in the myriad of expectations that come with the job, being on call 24/7, and often the sheer long hours that come with seeking to fulfill all the demands of the job. A pastor's work is open ended in that the pastor never "clocks out." As a result the lines between one's role as a pastor and one's personal life get blurred.

Here are some non-monetary ways your church can compensate your pastor and help him be healthy:

**Adequate Vacation.** And what is "adequate vacation?" Given the 24/7 nature of the job, four weeks should be considered a minimum. In fact, in some denominational groups a new pastor coming right out of seminary into her first church is given four weeks' vacation which includes four Sundays. A generous vacation allowance, and insistence that the pastor use all of it, is one of the best ways to keep your pastor healthy and productive for many years.

The suggestion here is a minimum of four weeks to as many as six or more for those who have served the church at length. The allowance should also be based upon that pastor's total time in ministry and not on her time with your congregation. While your pastor may be relatively new to you, she probably is not new to ministry.

**Additional Vacation Allowance.** We live in difficult times when many churches struggle financially. As such there may be years when the church simply has no money to give the pastor or staff any additional compensation for the new budget year. In such years the suggestion is that for that year the church give the pastor and staff an additional week's vacation. This does not change the church's vacation policy but is merely a way to reward the pastor with time when there is no money with which to reward.

In one of my churches there were a few years when things were such that there was no money for raises. Knowing that in our culture a primary way that we express value is through the pay check, and knowing the nature of human nature and that in time no income increases would lead to a decline in staff morale, I convinced the church leadership to give all staff an additional week's vacation for that year. It costs the church no money but paid big div-



idents for my staff and me as the pastor. One staff person came to me in tears to say how much she appreciated this gesture and that the time meant more to her than the money. It was a win-win and will be for any church that incorporates it.

**Regular Days Off.** Again given the 24/7 nature of pastoral ministry and the fact that deaths and other crises occur in the life of the church that often disrupt a pastor's schedule, the congregation's leadership should seek to look out for their pastor by insisting that the pastor take a regular day or days off. In fact, the recommendation is that for as much as possible that a pastor's work week be limited to five or five and a half days. And Sunday should be considered as a workday.

Pastors are often their own worst enemy in this regard. Most are passionate about what they do and highly motivated. Additionally, pastors as a group tend to be people pleasers. What this translates to is that many work too hard and for too long. I've heard pastors boast, and in some cases whine, that they had not had a day off in six months. My response has always been, "shame on you and shame on your church for allowing it." Rarely or never taking a day off is tantamount to treating a marathon (26.2 miles) as if it is a one hundred yard dash. It simply is not sustainable.

**Special Holiday Allowance.** In the United States there are two holidays that always occur on a Monday that most are given or, if not, granted holiday pay. Those holidays are Memorial Day in May and Labor Day in September. What this does is give the average American worker a three-day weekend. While the pastor may get the holiday as a day off, he never gets the advantage of the three-day weekend. Sunday sits right in the middle of it all. For this reason it is suggested that the church grant the pastor two times per year when he can take his scheduled day off plus two additional days so as to provide extended time for him to take his family out of town for a few days or just to have extended down time with family. His family will thank you.

Additionally, many churches give Christmas Eve in addition to Christmas as a holiday. Many of these same churches, however, hold Christmas Eve services. In such cases it is recommended that the pastor be given another day such as the day after Christmas instead. And in those years when Christmas falls on Sunday, it is suggested that the pastor be given another day for personal time.

**Study Break Allowance.** The pastor is in a role where she is constantly giving through preaching, teaching, giving input in meetings, and the like. As such the well can quickly run dry. Given that in the average pastor's schedule there is too little time to do all that needs to be done, she finds it difficult to study and to plan in depth for sermons, the church's ministry, and the congregation's strategic plan. For this reason pastors are increasingly requesting an annual study break of a few weeks. One of the things I coach pastors to do is to learn to work more ON the ministry and not just IN the ministry. That is, not simply to be a doer of ministry but one who attempts to plan and oversee the doing of ministry. To do that, however, requires time.

It is suggested that the church give their pastor at least one-week per year for this purpose. One of my annual practices as a pastor was to take an annual five-day prayer retreat. For this retreat I went away alone to a retreat center for the purpose of prayer, thinking, planning, and reading. I went where there was no television, Internet, or radio to disturb. Some of the greatest accomplishments in my ministry came out of that time away. It costs the church nothing but paid big dividends. It can accomplish the same for your pastor and congregation.

**Sabbatical Allowance.** Sabbath rest is built into the fabric of creation and is necessary for the well-being of community, for it reminds us of who we are and who God is. Jesus offered this invitation to his disciples: "Come and rest awhile" (Mark 6:31). Amidst the constant demands of ministry, Jesus knew the need for Sabbath time. Sabbatical is a time to receive, to be nurtured, to dig deeper into one's self and one's relationship to God. It is also a time to find one's own roots and stories, to be renewed, refreshed, and revitalized by the breath of God.

It is recommended that after six years of ministry that the pastor be granted a sabbatical leave of three-months for this very purpose. While this is the recommendation, when this much time away is not feasible there should be at a minimum one week for every year served. It is also recommended that every congregation have a sabbatical policy (Appendix L and M).

## Closing Words

It is hoped that congregations will understand their responsibility for the health and well-being of their pastor and seek to do all they can to create a healthy environment for pastors and their families to prosper and to fulfill God's purposes both for pastors and congregations. It is a matter of stewardship and the expansion of the kingdom demands it.

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**Randall (Randy) Spence's** ministry career has included pastoral ministry, state ministry, and as the CEO of a long-term continuing care retirement community. He served as associate pastor of the First Church of God in Hamilton, Ohio, as pastor of the First Church of God in Germantown, Ohio, and as senior pastor of the Maiden Lane Church of God in Springfield, Ohio. Licensed in nursing home administration in Ohio, Indiana, Pennsylvania and Kentucky, he also served as the president and CEO of Willow Knoll Retirement Community in Middletown, Ohio. For a decade he served as the director of ministries (state pastor) for the Church of God in Ohio. Randy and his wife Pam now live in semi-retirement in Tampa, Florida worshipping and working with the Bayside Community Church of God in Safety Harbor, Florida.

# Chapter 6

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## Staff Pastors and Compensation Considerations (Associate Pastors)

Vickie M. Doyle

*“Do not neglect your gift, which was given you through prophecy when the body of elders laid their hands on you.”* (1 Timothy 4:14)

### Opening Words

Early in my career I taught middle school students. My preparation had been primarily for senior high school students, but my teaching certificate said that I could teach grades 7-12. The assumption by all of my colleagues was that I would move to the high school as soon as possible. In the 10 years that I taught middle school, I discovered that I enjoyed teaching at that level with its many challenges and rewards.

Years later, I found myself in a similar situation. My seminary training primarily prepared me for being a senior pastor, but I found that my call, gift, and strengths were a good fit for associate positions. I served for 25 years in support roles such as church administrator, director of Christian education and associate pastor, with its many challenges and rewards.

The professional position of associate pastor is relatively new when looking at church history. The position is similar to the teaching situation that I described. We still find ourselves in the church with a similar view that all pastors want to be senior/lead pastors. The concept of an assistant or associate pastor is alluded to in scripture. Acts 6:1-15 is a good example of duties being divided. The word, elder, is used in other scriptures to address the needs of the early church (Acts 20:28, Titus 1:5, and Hebrews 13:17).

During the last 50 or so years, we have experienced the trend to move from an assistant pastor that supports the senior/lead pastor to an associate pastor that serves a specific function on a pastoral staff team. The move is from generalists to specialists

Another recent trend is for non-ordained individuals to serve specific functions for specific ministries as part of the church staff. For example, a director of outreach might be trained in social work and community development and feel called to serve in a specialized way through the church setting. While they serve on staff, they are not pastors who provide priestly functions such as preaching, baptism, or serving communion. They lead congregants as they serve primarily outside the church. Another example is director of children's ministries. They are trained in early childhood education with a passion for teaching in the local church. They are an integral part of staff but do not serve priestly functions. Depending on the size of congregation, these positions may be part-time. Millennials are very supportive of these non-traditional kinds of positions.

A national study conducted by Deborah Bruce and Cynthia Woolever gives us additional information on associates (Bruce and Woolever, 2010).

- Associates typically serve in larger congregations (median worship attendance 289).
- 57% of associates are men.
- Median age is 46.
- Two out of three associates have worked in one or more occupations before entering ministry. More women than men have worked in other areas.
- 55% of associates are ordained compared with 94% of senior/lead pastors. Mainline associate pastors are most likely to be ordained.
- Total median income including housing is \$43,591.
- Associates work an average of 45 hours per week with one day off.

The role of associate pastor is often challenging. They don't preach every Sunday, their name is not on the sign, they get paid less, and most assume they will move on when they can (Rudnick, 2012). I believe the position of associate pastor can be rewarding for several reasons. They don't have the responsibility of preaching every Sunday and their name is not on the sign. Associates are usually on the front line of developing new ministries. The position allows for more one-on-one relationships and the ability to focus on fewer areas for greater impact. Selecting and hiring an associate is as important to church health and church growth as selecting and hiring a senior/lead pastor.

# Definitions, Questions, and Findings

Before moving further into this chapter, there are some definitions, questions, and findings that should be addressed before talking about hiring and compensation. Rather than focusing on problems to be solved, as is often done in ministry, the better focus is on best practices. These best practices will enhance the vitality of congregational ministry and provide environments where associates can thrive.

## Definitions

These definitions bring clarity to the discussion of pastoral staff.

**Effective Ministry**—George Barna describes effective ministry as, “when lives are transformed such that people are constantly enabled to be more Christ-like” (Barna, 7). This definition is often not the one used in churches. Effective ministry is often defined by attendance, size of budget, and the size of staff. The church’s definition of effective ministry will guide the staff that is hired.

What is our church’s definition of effective ministry?  
How will that definition guide the process of hiring additional staff?

**Thriving vs. Surviving Ministry**—If associate staff persons are asked if they are thriving or surviving, the majority will say they are surviving. Kevin Lawson in his book, *How to Thrive in Associate Staff Ministry*, developed a definition of thriving ministry from research with 400 long-term associate staff in 14 denominations in the U.S. and Canada (Lawson, 2000).

### Thriving ministry is defined in this way:

- This ministry is a good fit.
- I enjoy what I am doing.
- I find my work to be very satisfying.
- In the midst of ministry demands, I am finding ways to sustain my personal well-being.
- I am not eager to consider some alternative kind of work or ministry.

**Surviving Ministry is defined in this way:**

- This ministry is very frustrating.
- I do not enjoy what I am doing.
- I find little satisfaction in my work.
- In the midst of ministry demands, I find that I am drained.
- I am doing what I need to, but I would gladly consider some alternative kind of work or ministry.

If our goal is to provide staff with an environment that allows for their ministry to thrive, how will we define thriving ministry?

**Traditional Churches vs. Nontraditional Churches**—In the book, *Eating the Elephant*, Thom Rainer and Chuck Lawless provide a contrast between traditional and nontraditional methods used in churches. The list is neither positive nor negative with few churches falling totally into one category but rather on a continuum. It can, however, provide a means for determining the type of associate that will best serve the church. This is certainly a topic for search committees to better understand their churches and the staff that will provide leadership. Here is a sampling of their definitions (Rainer and Lawless, 2003).

	<b>Nontraditional</b>	<b>Traditional</b>
Ministries	Dictated by needs	Dictated by church or denomination
Buildings	Activities outside church	Activities mostly inside church
Worship Style	Contemporary, varied	Traditional, order, members' needs
Worship Services	Options, non-Sunday	Sunday services
Role of Laity	Ministry	Both administration and ministry
Role of Clergy	Leadership and Equipping	Ministry
Decision-making	Routine day-to-day, staff	Boards, business meetings

Describe our church today. Are we more nontraditional or traditional? Do we want to change from where we are? If so, what steps will be needed to achieve that change?

**Associate Pastor vs. Assistant Pastor**—The first associate pastor in many churches is really an assistant pastor, providing the same functions as the senior/lead pastor with special assignments given as needed. For many small

to medium congregations this is a workable model, particularly when there are capable volunteers to provide ministry for children, youth, and adults with support from the pastors. Often, it is the assistant pastor that will move on to become senior/lead pastors. Part-time directors of ministries can also be effective for these areas of ministry. As churches grow and the need for staff becomes greater, associates are often called to fulfill specific needs within the church that allow the congregation to more effectively achieve their vision and mission. The title, assistant or associate, really doesn't matter as long as the role of this pastor is clearly embraced by staff and the congregation. Communication between staff/leaders and congregants is vital to effective, long-term ministry. Some churches elect not to use assistant or associate in the title. For example, there is a senior/lead pastor, worship pastor, education pastor, and etc. Each serves as a pastor with well-defined roles, forming a pastoral team.

What staff does our church need? Paid or volunteer? Full-time or part-time? What will their titles be? How will we communicate this information to the congregation?

## Questions

- Look at your congregation. Does your church need or want an associate? Are there volunteers within the church who can provide significant ministry? Will your church budget support other pastors? Would an intern be better for your congregation with a specific time period with specific assignments? Can your church embrace the concept of mentoring young people for ministry?
- Look at your senior/lead pastor. Does the senior/lead pastor have the personality to mentor and nurture associates? While congregants often see one pastor compensating for the other as positive, the senior/lead pastor may see this as threatening and not positive. Does the senior/lead pastor understand and practice appropriate boundaries in ministry?
- Look at church leadership. Will the congregation be able to embrace another pastor? Is the leadership structure one that will effectively serve multiple staff? Communication by the senior pastor and key leaders is vital to success in forming multiple staff.
- Look at associate staff. Will clear roles be communicated? Does the church need an assistant pastor to serve the senior pastor or does



the church need an associate that works in partnership with the senior pastor in addition to providing some specialized ministry such as discipleship or congregational care? Does their call and passion for ministry match the needs of the church? Does the associate have the educational training and experience to serve the vision and mission of our church? Will this new associate be a welcomed addition to our staff team?

## Findings

*Leadership in the Church*—I am an avid reader and have probably read most books on leadership published in the past 30 years. Most of the books provide some insight and guidelines that can be helpful to pastors and leaders. Next to the Bible, one of my all-time favorite leadership books that has had a positive impact on my role as an associate was, *Managing People is like Herding Cats*, by Warren Bennis. I will share three principles that proved to be helpful in my ministries. These can provide the framework for job descriptions and evaluations (Bennis, 1997).

The only capital that really counts is human capital. Louis B. Mayer, the head of MGM studios, once said, “The inventory goes home at night” (43). In ministry it is always about the people, church and unchurched.

People want four things from their leaders: purpose, trust, optimism, and actions and results (74-76).

### 10 traits of dynamic leaders:

- Self-knowledge
- Open to feedback
- Eager to learn and improve
- Curious, risk takers
- Concentrate at work
- Learn from adversity
- Balance tradition and change
- Open style
- Work well with systems
- Serve as model and mentor (89-93)

These leadership principles can also be found in scripture, particularly the gospel of Mark. The leadership lessons of Jesus found in this gospel are as applicable for today's leaders as they were for leaders in the early church. "What would Jesus do?" is still a good question for any leadership and ministry situation.

*What Members Want vs. What Pastors Want*—In a 2010 Church of God focus group, I discovered research that sheds light on why pastors and particularly associate pastors have difficulty working with congregations when hiring staff. Congregants and pastors often assume they have the same priorities. The hiring of another staff member will highlight the need for clear priorities. The study conducted by Russ Crabtree asked congregants and pastors to list their top five priorities for ministry. Here are the results (Crabtree, 2003).

### **Top 5 Priorities of Congregants**

- |                 |  |
|-----------------|--|
| First Priority  | Develop and implement a strategy to reach new people and incorporate them into the life of the church. |
| Second Priority | Make necessary changes to attract families with children and youth to our church.                      |
| Third Priority  | Move decisively to provide high-quality education for every age and stage of life.                     |
| Fourth Priority | Develop ministries that work toward healing those broken by life circumstances.                        |
| Fifth Priority  | Develop the spiritual generosity of the people to financially support the ministry of the church.      |

### **Top 5 Priorities of Pastors**

- |                 |   |
|-----------------|---|
| First Priority  | Develop a congregation's sense of connection to God <i>and one another through stronger worship services.</i>                                 |
| Second Priority | Provide opportunities for Christian education and spiritual formation in a church for every age and stage of life.                            |
| Third Priority  | Make necessary changes in a church to attract families with children and youth.   |
| Fourth Priority | Develop and implement a comprehensive strategy to reach new people and incorporate them into the life of a church.                            |
| Fifth Priority  | Create more opportunities for people to form meaningful relationships (i.e., small groups, nurtured friendships, shared meals, and the like). |

Have we determined the priorities of our pastors and congregations? How will we deal with any differences?

## Selection of New Staff Member

**Formulate a Search Process.** The specific process will be determined by the church by-laws and governance. Today, many associate staff are not voted on by the congregation but are presented after the church process is complete. The process is usually led by the senior/lead pastor and a search team of key leaders in the church, with representation of the specific area that is being hired.

**Pray, Pray, Pray.** It is vital for all in the congregation to have ownership of this process. The search team can share progress and updates as to specific requests through public announcements, printed information, and electronic media.

**Prepare a Church Profile.** It is helpful to begin with definitions, questions, and findings for one's own congregation. It is important that both the congregation and staff be on the same page as to priorities. Most profiles include background information on the church, vision and mission statements, annual reports, samples of newsletters, and the like. Videos available online are often used. It is helpful that enough information be given that a prospective candidate can determine a clear picture of the congregation.

**Formulate a Staff Profile.** Based on the church profile and the determined needs, decide on what training, education, and experience will be needed to adequately fill this position. Will this position be part-time or full-time? This is too often a missed step in the search process.

**Establish the Title, Job Description, and Compensation Package.** What will this new staff person be called: pastor of outreach, director of outreach, associate pastor of outreach? The title should clearly reflect their job description. Write a clear description of the ministry position that includes qualifications, duties, work relationships, and accountability structure (See Appendix J). Determine a compensation package based on the staff profile, ministry duties, training, education, and years of ministry. Geographical location of church and the cost of living are also factors in determining

compensation. Evaluation instruments and salary scales are helpful if shared with the final candidates. It helps them get a full picture of the church that is considering calling them to serve.

**Seek Available Candidates.** The staff profile will guide this process. For example, if you are looking for a director of outreach one might contact para-church ministries and non-profits as well as college alumni offices in addition to church state and national offices. In large metropolitan areas, newspaper ads can sometimes yield candidates. There are also multiple on-line sources of potential candidates.

**Solicit resumes and ministry samples.** When searching for an associate it is helpful to solicit resumes from individuals who you may know. Also, when searching for specific areas such as youth, ask for a video of a student outreach event. If the search is for an associate who will be participating in worship, ask for a sermon CD or video. Each candidate should provide a brief philosophy of ministry.

**Check references.** Always request references and conduct them personally. This helps determine strengths and challenges, if the candidate is a team player, how they handle conflict, and if there are unresolved issues that need to be addressed. Once an individual is eliminated from consideration, promptly notify them.

**Check Background.** When the field has been narrowed to three or four candidates, background checks should be done. It is helpful if the church provides the financial resources for the checks. This step is necessary to complete before doing interviews. It may save disappointments when a candidate is liked by the search team only to find out that the individual has something in their background that might prevent them from serving.

**Conduct Interviews.** Interviews are usually done in three stages: phone interviews, face-to-face interviews, and onsite interviews. With each stage, the number of interviewees decreases (guidelines and sample questions Appendix K).

**Finalize the Selection.** Once the interview process has been narrowed to one candidate, follow the church's governance or bylaws for calling and hiring. At this point in the process there may be a tendency to rush. The search team may find it helpful to live with their decision for a week or so before

contacting the candidate. This allows for prayer and time for any unanswered questions to be dealt with. Notify the candidate and then the congregation.

**Celebrate and Provide the New Staff Member with a Smooth Transition.** As soon as the candidate accepts the call, determine a timetable for making the move to this new position. If the congregation votes on the staff position, then a weekend visit is needed prior to the vote. Churches who don't call associates by congregational vote often introduce the candidate to the congregation before their physical move. The welcoming process is important both to the new associate and the congregation. They are, after all, being welcomed as a new member of the church family.

## **Guidelines for Determining Staff Compensation**

Pastoral ministry is a unique calling within the body of believers. Serving as a pastor is both a calling and a special privilege. In the end, determining compensation comes down to a question of balance and fairness. Providing an acceptable standard of living for pastors and their families; encouraging healthy family life; creating good relationships between pastors and congregants; and, above all, encouraging effective ministry—are the goals of fair and balanced compensation.

Compensation is also part of a covenant relationship between pastors and congregants in which each looks out for the good of the other. Pastors commit their lives to the service of God and the church. Congregations care for and support pastors. Fair compensation frees pastors to be creative and to use the gifts God has given them for ministry. It also enables congregations to tangibly care for pastors and to affirm the priority for work well done.

Scriptures that may be helpful to this process are: 1 Corinthians 9:13-18; Philippians 1:21-26, 2:14-18, 4:8-13; and 1 Timothy 5:17-18.

Attendance and church income are typically the biggest factors affecting compensation and benefits. Research often provides detailed information about senior/lead pastors' compensation and not as much for associates. Associate pastors generally make 60-80 percent of their senior/lead pastor's compensation. Exceptions might be when an associate has long-term ministry and the senior/lead pastor is younger with little experience.

Location, location, location is not just for realtors but also for determining compensation. The Bureau of Labor Statistics in 2011 reported that the average U.S. clergy salary was \$48,490. The averages varied by state. In California, the average was \$61,060; New York \$51,940; Florida \$43,750; and Michigan \$45,520. Also, where the church is located, rural or urban, and the cost of living index are additional factors to consider when determining compensation (Bean-Mellinger, nd).

## Components of a Compensation Package

A compensation package has three components: (1) cash compensation cash salary, housing allowance, and social security offset; (2) benefits including retirement savings plan, life insurance, disability, health insurance, and other benefits; (3) reimbursement of job-related expenses including travel, books, conferences, and education.

A Sample \$50,000 compensation package (MMBB Financial Services, nd)

*Please note this is for illustrating the categories only. It is not intended as a substitute for legal, accounting, or other professional advice. Details of each category are included in other chapters.*

### Cash Compensation

Cash Salary	\$15,000
Housing Allowance	\$15,000
Social Security Offset	\$ 3,800

### Benefits

Retirement, life/disability insurance	\$ 4,400
Health Insurance	\$10,000

### Reimbursement for Job-related Expenses

Auto Allowance	\$ 650
Conferences	\$ 400
Hospitality	\$ 250
Subscriptions/books	\$ 200
Continuing Education	\$ 300
<b>Total</b>	<b>\$50,000</b>

# Additional Guidelines for Determining Staff Compensation

Following are charts that provide additional guidelines for determining compensation based on church size, years of experience, and education. When determining base salary, the geographical location and the cost of living can be used to arrive at fair compensation. In the past, teachers' salaries were also used as a guide, as pastors and teachers often have similar educational backgrounds. The salaries are also based on associate staff having training such as a college degree and/or seminary or education that is appropriate for their position. Often ministry is a second career. It is helpful to determine some way to honor the pastor with experience from other careers as well as educational training.

**Base Salary** (housing allowance not included) Based on Congregation Size (Connecticut Conference Compensation Guidelines, 2012-2015)

Congregation Size	Minimum Base Salary
100 or fewer	\$36,960
101-200	\$39,652
201-350	\$42,240
351-500	\$44,932
501-650	\$47,520
651-800	\$50,212
801-1000	\$52,800
1000+	\$55,492

## Additional Salary Based on years of experience

Years Experience	Experience Supplement
1-10 years	\$828 per year
11-15 years	\$621 per year
16-20 years	\$414 per year
21-35 years	\$311 per year
35+ years	\$207 per year

**Example 1**—Recommended base salary for pastor with 15 years of experience serving a congregation of 250.

Minimum base salary	\$39,652
Experience supplement (10 yrs. x \$826 + 5 yrs. x \$621)	\$11,385
Total Base Salary	\$51,037

**Example 2**—Recommended base salary for pastor with 20 years of experience serving a congregation of 850.

Minimum base salary	\$52,800
Experience supplement (10 yrs. x \$828 + 5 yrs. x \$621 + 5 yrs. x \$414)	\$13,455
Total Base Salary	\$66,255

The Lutheran Church Missouri Synod recommends the following guidelines for determining salary and benefits (Pastoral Committee, 2012)

**Minimum Monthly Base Salary**

Fewer than 250 congregants	\$3057
250-500 congregants	\$3662
500 or more congregants	\$3996

1. **Location.** Add \$114 per month for an urban or suburban congregation.
2. **Increment for experience.** For each year of full-time ordained service in the church in any locale since graduation from seminary add: \$21 month for each year of service.
3. **Increment for education.** For formal academic work beyond graduation from seminary: \$45/month for a second earned Master’s Degree or \$83/month for an earned doctorate (PH.D. or D.Min.)

A + B + C + D = Basic Cash Salary

**Merit Pay**

Some churches provide merit pay when pastors have provided ministry in exceptional ways. Merit pay is usually outside normal pay scales. For example, when a church has had phenomenal growth or the pastors have carried additional loads when a staff member resigns or retires. Merit pay also can



come in the form of time off such as an additional week of vacation. These are usually one-time occurrences.

### **Housing Allowance**

Associates receive housing allowances in the same way that senior/lead pastors do. In simple terms, the housing allowance should be equal to what a monthly rental plus utilities might cost. Pastors may designate part of their cash salary as housing, but must be able to prove that the amount is spent on housing. Pastors do not pay income tax on their housing allowance, but must pay “self-employment” tax on the housing allowance. Always check with a tax consultant.

### **Vacation/Days off/Sick Days**

For most people a work week is 5 days and 40 hours. When a vacation is taken, the 5 days plus 2 weekends are available to them. In ministry, the average work week is 45-60 hours per week with 6 days worked. Consideration also should be given when pastors work days that are often national holidays (Christmas, New Year’s Day, Easter, and etc.). Conferences, seminars, and continuing education should not be counted as vacation days. Pastors need time to meet their family obligations and to refresh themselves for ministry. Churches vary widely in their vacation policies. Regular days off are important to pastoral health and church health. Following is such an example for vacation.

During first year	10 days
1-5 years	18 days
6-10 years	25 days
11-15 years	32 days
Over 15 years	39 days

### **Sabbatical**

It is becoming more common for churches to offer sabbaticals for their pastoral staff. Sabbaticals contribute to long-term ministries and healthier staff. The congregation also benefits from their staff’s sabbatical. Policies vary widely from church to church. Often sabbaticals increase in length of time as the years of service increase. For example: after 5 years of service—one month of sabbatical; 10 years of service—two months; 15 years of service and beyond—three months.

Regardless of the length of sabbaticals, there are some common elements that make for a good sabbatical. There needs to be time for rest and a change of pace, time intentionally spent with family, new education opportunities, or service in tangible ways. There should be planning before the sabbatical to cover all ministries that require staff's supervision. Most churches require their pastors to submit a request with plans for the sabbatical and then a follow-up report after the sabbatical (See Appendices L and M).

Most churches continue to pay staff during their sabbatical, but offer no financial help with the expenses of the sabbatical. For many pastors, this financial burden requires them to lower their expectations. For example, when I was taking a two-month sabbatical, I had made plans to travel to Israel to take a class. Mornings would have been spent in class and in the afternoons the students would travel to the location where our morning scriptures had actually taken place. We were able to afford the trip, but my 90+ year-old mother-in-law lived with us and the respite care for her was prohibitive. Instead, I scheduled a retreat in a nearby state and took a class locally. While disappointed that I had not been able to make the trip, I came back to my ministry with a renewed sense of purpose and the ability to serve in new and creative ways. Some churches budget for sabbaticals in each year's budget allowing the amount to grow and be available when a staff member is eligible for a sabbatical. If the goal is to have long-term staff, sabbaticals are important.

There are resources available to provide guidance in planning sabbaticals. The Alban Institute has a publication that would be helpful to churches and pastors (Bullock and Bruesehoff, 2000).

## **Evaluation Procedures, Accountability, and Salary Determination**

Evaluation procedures and accountability structures are often not included as part of the initial compensation package when an associate is hired. Having these procedures in place as part of the hiring will provide an environment for an associate to thrive (Appendix N). There will be no surprises such as serving five years with no additional compensation and communication about one's ministry.

Evaluation is a daily occurrence in the life of the church. It happens in the parking lot, over the phone, and in the sanctuary. Reflecting on how pastors are doing and how the “church is doing” is part of what it means to be thoughtful, conscientious, and caring people.

Formal evaluation takes time and intentionality. The purpose of evaluation is not to prove but to improve ministry and to strengthen the community of faith.

The goal is that ministry evaluation will be healthy, life-enhancing, and supportive of the gifts and talents of all who are involved in ministry.

Paul wrote, “We, though many, are one body in Christ, and individually members one of another” (Rom. 12:5). Ministry is and must be mutual. It is difficult to review an individual’s ministry apart from the whole.

There are some expected outcomes of evaluation:

- Discover new things
- New goals and directions can be established
- Allows leaders to see how pastors and members are working together

Christ is the head of the church and is our constant companion on the journey. When we take seriously our call as Christians to share in a common ministry, we agree to be open to the leading of God’s Spirit. The hard part of evaluation is remembering that commitment.

An associate pastor’s evaluation and review are often completed by the senior/lead pastor with reports being made to a board, personnel committee and other designated groups. Good working relationships between the senior/lead pastor and the associate pastors are foundational to effective ministry in the local church. Unclear expectations and lack of communication often cause conflicts. The following suggestions are offered by senior/lead and associate pastors for creating positive and healthy work environments (Yerke, 2006).

- **Clear expectations**—Spell out expectations.
- **Open communication**—Be open, honest, and transparent. Maintain confidentiality.
- **Flexibility and freedom to grow**—Encourage associate pastors to grow through their areas of giftedness.
- **Mentoring**—This is a great gift that a senior/lead pastor and an associate pastor can give to one another.
- **Respect and Encouragement**—This works both ways.
- **Healthy work ethic and time management**—Senior/lead pastors appreciate associates who work hard, are prepared for meetings, keep their commitments, and demonstrate initiative. Associates also appreciate the same of their senior/lead pastors.

Joe Lovino in his associate pastor handbook suggests the following for senior/lead pastors in order to create positive and healthy work environments (Lovino, 2012).

- **Respect**—Associates feel respected when they and their ministries are vital to the church and not simply add-ons that the lead pastor could easily do without.
- **Leadership**—Clearly communicated vision, mission, and goals are important. Share expectations and struggles.
- **Support**—Don't take sides in a conflict; listen to both sides. Come to an associate pastor personally when there is a concern or complaint.
- **Appreciation**—Ministry can be a thankless job for all pastors. Show appreciation to associate pastors publicly to legitimize their ministry. Advocate for fair pay.
- **Room to grow**—Recognize passion, interests, and abilities in associate pastors and provide opportunities for their leadership.

The above suggestions provide a good basis for developing evaluation forms and methods of review. Evaluation is most common for pastors and staff; but ministry area evaluation, congregational evaluation, and board evaluations are also helpful for a healthy church. (See Appendix N.)

## Closing Words

Pastoral ministry is a gift of God to the church. It is not an easy job but one that is a great gift because of the calling that places one on such a pilgrimage. William Willimon reminds us of this in his book, *Pastor* (Willimon, 2002).

Ministry is an act of God and is at the Creator's initiative.

Ministry is an act of the church and arises from the top down, from the Holy Spirit in calling us.

To be a pastor is to be tied in a unique way to the church, the believing community of Christ. Ordination is a gift of God through the church.

Ministry is difficult. There always will be a gap between expectations for the church and the reality of the church experience. That gap is where pastors do their jobs, working the space between where the church is and where the church can be by God's grace.

Ministry is one of the ways in which Christians love others, and through that attempt, Christ loves the church.

We live in a world where people are hurting and need someone to care. We live in a world where evil seems to be winning. We live in a world that needs the Good News of Christ. We must all do our part to serve Christ with the best we individually have to give and with the best our churches have to give. The ability to hire, support, and encourage effective staff to serve with our congregations is crucial to realizing the mandate given us by our Lord and Savior, "Go and make disciples of all the nations, baptizing them in the name of the Father and the Son and the Holy Spirit. Teach these new disciples to obey all the commands I have given you. And be sure of this: I am with you always, even to the end of the age" (Matthew 28:19-20 NLT).

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# Chapter 7

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## Part-Time & Bi-Vocational Pastoral Compensation

Bill Riley

*"...and because he [Paul] was of the same trade, he stayed with them [Aquila and Priscilla], and they worked together—by trade they were tentmakers."  
(Acts 18:3)*

### Opening Words

At the outset, let's look at four myths and eight positive reasons related to bi-vocational pastoring.

#### **Four myths related to bi-vocational pastoring:**

1. If bi-vocational pastors had enough faith, they would just quit their jobs and trust God to meet their needs.
2. If bi-vocational pastors were good enough preachers, they could get a bigger church.
3. A small congregation doesn't deserve to be called a church.
4. A church is not a real church if it does not have a full menu of activities.

#### **Eight positive reasons related to bi-vocational pastoring:**

1. If pastors are inspired by the example of the Apostle Paul. Paul supported himself by making tents (Acts 18:3) while he focused on preaching the Gospel and starting churches. He refused to be a burden to others (2 Thessalonians 3:7-9).
2. If pastors are willing to work so that smaller churches can have a pastoral leadership.
3. If pastors do not view a church as a stepping stone to a bigger and better church.

4. If pastors are willing to invest their lives in small church settings which may never be able to pay a full-time salary.
5. If pastors are interested in taking the light of Christ into the market-places of the world.
6. If pastors would like to see churches invest more money in ministry and missions.
7. If pastors are committed to planting churches in a communities where there is little or no Gospel witness.
8. If pastors feel led to be intentional bi-vocational pastors, perhaps because they have a businesses or careers that God has provided and is using to provide for their families.

(Adapted from Pastors.com Staff)

For 35 years of my ministry I was bi-vocational with the last 12 years of those years as a pastor in the Church of God (Anderson, IN). I found those years to be rewarding as well as trying and tiring and I have had to learn many lessons along the way to help me survive. I find everything in the two listings above to be basically true in my life. I hope this chapter helps you begin to see how to hire and keep a bi-vocational pastor.

As for me, for the first time in my ministry career, I am in a full time ministry position as the senior pastor at the Huber Heights Church of God in Ohio. God has been good and has blessed my ministry but I do not think that would have happened if it were not for those Christian leaders of the various churches where I have served. They understood, for the most part, that I had to work outside the church to be able to do the ministry work I did for the church and they supported me. Why full time now? God opened up a door and I walked through, and I must say it is different, not better or worse, just different. Pastors go where God sends. Now I reflect on those years while serving as a bi-vocational pastor.

It is my hope that you will be able to discover new ideas of how to plan compensation packages for your new bi-vocational pastor or how to re-look at ways of compensating your existing pastor. Hopefully it will help that person called by God to your congregation feel appreciated and needed by the congregation he/she is serving.



## Calling: Bi-Vocational Pastor

First, let God lead you, pray diligently. Invite prayer groups to pray on behalf of the search committee or church leadership team.

David states in Psalm 62:1, *“For God alone my soul waits in silence; from him comes my salvation.”*

David realized the power of waiting in prayer in times of important decision making. There are countless other times in scripture that people, like you and me, asked for guidance and were given it by God.

Take time now for your search committee to think of other occasions in scripture that God’s people prayed for direction. List a few of them here:

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Why do I bring this up right at the beginning? Because I believe that God gives us a clear and united vision of how to approach the bi-vocational pastor decision both in salary and benefit compensation and other alternative ways to compensate their service.

First let’s look at what the Apostle Paul experienced as a bi-vocational pastor as he traveled from city to city. Scripture tells us that besides being a biblical scholar and missionary he was also a tentmaker: “and because he was of the same trade he stayed with them and worked, for they were tentmakers by trade” (Acts 18:3 ESV).

## Considerations in Bi-Vocational Compensation

Let’s turn our attention to these components of compensation and how they relate to bi-vocational pastors: time demands, compensation package, salary, housing allowance, vacation, and sabbatical.

## Time Demands

In conversations with bi-vocational pastors, the issue of time demands was one of the first things they talked about. In light of this agreement, one of the first issues a congregation needs to acknowledge is that leaders have decided that the current level of resources will not support a full-time pastor. Congregational members will not be able to expect full-time hours from their part-time pastor. This issue needs to be recognized and church leaders need to agree and accept the time limitations and availability of the bi-vocational pastor. I have seen it time and time again, where the church's expectation and the reality do not match. Bi-vocational pastors face a dilemma because they do feel called by God yet they do not feel free to say *no* when the expectations are higher than they can fulfill.

Take time now to decide on what you are expecting from your bi-vocational pastor. What are the clarifying questions the search committee should review before interviewing a prospective candidate? In addition, the search committee and church council need to (1) agree on and write out a job description of your bi-vocational pastor and (2) describe responsibilities members of the congregation are willing to do to help in the ministry.

Below are sample questions to ask. Remember to reserve time for the family time, study time, connecting time with the Church of God state and national events. By the way, don't count these activities against their vacation time.

How many hours a week do we want our bi-vocational pastor to work on ministry related activities directly related to our congregation's ministries?

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What is the pastor's additional vocation and what are the demands of that job?

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What congregational ministry responsibilities will members of the congregation commit to lead?

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What amount of time needs to be set aside for the pastor for (1) family time and (2) study and preparation time?

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After reviewing all the previous questions, ask: "Could I do what I am expecting our bi-vocational pastor to do and work another part-time or full-time work week?"

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Have I prayed and asked God for guidance in the matter?

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The last question reminds us of how important prayer is in this process. We all have different opinions and work ethics and we need to be careful not to push them onto the bi-vocational candidate. Again, let's stay focused on the Lord and His Word.

The writer in Zephaniah 3:17 reminds us what happens when we focus on the Lord, "The LORD your God is in your midst, a mighty one who will save; he will rejoice over you with gladness; he will quiet you by his love; he will exult over you with loud singing" (Zephaniah 3:17).

## Compensation Package

In a most helpful article, Franklin Dumond states, "The bi-vocational pastor serves the church while also working as a business owner or as an employee in the secular world. This New Testament pattern of tent-making ministry remains a fact of life for many small to mid-sized churches in the 21<sup>st</sup> century. Nevertheless, the bi-vocational pastor faces the tension of balancing company time with church time while being fair to both" (*Making It on a Pastor's Pay: Bi-vocational Salaries*).

There are many things to consider when addressing the issue of fair and equitable compensation for bi-vocational pastors. Considerations include: use of a parsonage or housing allowance, vacation time, salary paid by the hour or by the week. All important questions that need to be answered for the church budget as well as the pastor's budget.

### Take a moment to write your thoughts in each of these areas.

Salary vs hourly

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Vacation

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Parsonage or housing allowance

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(See the Index for guidance in addressing these economic issues)

Here are comments I have experienced and heard from other bi-vocational pastors:

- I would take help with paying my insurance over salary.
- I would appreciate extra vacation over a salary increase.
- The use of a church vehicle would be nice.

- Having a parsonage would take a big load off me.
- Every once in a while I just need to rest without church demands.
- Cell phone reimbursement would be fantastic...or even in part.

(Note: See Chapter 4 for IRS implications on pastoral benefits and ways to avoid undue taxation.)

A detailed and honest discussion is always helpful in understanding the needs of potential and current bi-vocational pastors. Open and genuinely caring conversation about economic issues with bi-vocational pastors goes a long way in building mutual trust and respect between pastor and congregation.

### **Salary**

Sometimes salary can be one of the hardest tasks to determine. Look at the church budget. Many churches spend 45%-50% of their budget on pastoral staff.

What is your churches budget? \$ \_\_\_\_\_

What would be 40%-50% of that budget? \$ \_\_\_\_\_

Is our church in debt, how much? \$ \_\_\_\_\_

If your church is up to its steeple with debt, may I suggest you have someone come in from your Church of God state office at this point to help you. It may be that you need an interim pastor who is usually less expensive and less available for a time to get the finances straightened out.

Let me give you some websites that offer further help in determining a fair salary for your bi-vocational pastor.

One such site is: <http://sdbministry.org/COSARSalaryRec.pdf> This site provides these salary guidelines:

### **Bi-vocational and Part-time Pastorates**

When a church is unable to provide even the minimum pastoral salary, they must recognize that they cannot ethically pay part-time wages for a full-time pastor. Therefore it is recommended that the church calculate what percentage of the minimum salary they are paying, and use that

to figure the number of hours in the pastor's work week. This is done by adding the cash salary, housing allowance (or parsonage rental value) and utilities allowance, and then dividing that total by the minimum salary base plus the 7.65% FICA adjustment.

Example—A rural church provides their pastor with a cash salary of \$20,000 per year and a parsonage. Since houses similar to the parsonage rent in the community for \$500 per month (\$6,000/yr), the total compensation is \$26,000 per year. Dividing that amount by \$40,078 (2015 min. rural salary = base + FICA) yields .6377 or 64%. Therefore the church is really paying for just under 29 hours per week (65% of 45 hours = 28.8 hrs) of a full-time pastor's 45-hour work week. So this pastor should be free to seek additional employment.

Other guidelines state:

National trends for bi-vocational pastor compensation are difficult to determine. In one study when compensation for part-time senior pastors was reported the average compensation came to a salary of \$15.13 per hour with benefits worth an additional \$6.88 per hour. The total cost to the church then was \$22.01 per hour. These bi-vocational pastors worked at least 15 but not more than 29 hours per week in their ministry assignments providing a range of average salaries of \$226 to \$441 per week.

A similar 2014 study by the Southern Baptist Convention found that bi-vocational pastors averaged \$19,527 in direct compensation (salary and housing). This national average may be discovered on a state by state level by using the tables provided at [www.compstudy.lifeway.com](http://www.compstudy.lifeway.com)."

Google bi-vocational pastor salaries and you will find a wealth of resources giving helpful guidelines and formulas for fair and equitable bi-vocational pastor compensation.

### **Housing Allowance**

Finally consideration needs to be given if there is a parsonage involved in the package. I was fortunate in my last church to have a parsonage as part of my salary package. The reasonable monthly rent was added in to the total package. The church paid all the bills and upkeep except for personal expenses like cable or satellite TV.

Be sure to encourage your bi-vocational pastor to take advantage of the IRS provision for deducting housing expense from taxable income. With no expense to the church, this provision decreases the pastor's taxable income and, in effect, increases the pastor's income. See Chapter 4 for specific regulations of this important pastor benefit.

### **Vacation**

For many bi-vocational pastors vacation is more important than actual salary. Remember that bi-vocational pastors have to manage their vacation in conjunction with the vacation that their other job is offering. Vacation itself should be based on the years of accumulated ministry experience of the pastor. You should have a personnel manual that explains these kinds of organizational details:

- Number of vacation weeks. I find that most bi-vocational pastors get between 2-3 paid vacation weeks a year. Pastors with more years of service usually receive 4 or more weeks. See the Index for more information regarding vacation benefits.
- Additional vacation weeks. In some instances, congregations provide additional weeks of vacation time as a substitute for salary increases.
- Preaching schedule. Pastors assume the responsibility for arranging weekend speakers when they are on vacation.
- Professional meetings. Vacation time should not be assessed if the pastor is able to attend state Church of God meetings as well as other training events.

In general, it would not be in the best interest of congregational leaders or pastors for pastors to be micro-managed in regard to their time. The balance between congregational time, family time, professional ministry time, and additional job time is always a fluid target. If concerns arise, the role of church leaders is to gain understanding with pastors and then to support them fully. In healthy congregations, concerns about time issues must be contained within conversations between designated congregation leaders and their pastor.

## **Sabbatical**

As their bi-vocational pastor, one of the ways The Russell's Point Church of God surprised me was to offer me a sabbatical. This came after my 5<sup>th</sup> year of being their pastor and it was a two week sabbatical with no demands except that I go away. This was in addition to my three weeks' vacation that they already provided for me. I don't know if I was more blessed by the two weeks or the thought that they saw my need and wanted to take care of me. If you are re-negotiating your bi-vocational pastor's salary package you may want to consider this. (See Index for additional information regarding pastor sabbaticals.)

I have attached for you a sample *letter of intent* to provide your pastor as it is wise to have everything in writing, so there are no misunderstandings. (See Appendix)

## **Closing Words—Encourage the Heart**

If you see your pastor starting to slow down or become worn out don't wait till you pastor is completely exhausted. Here are ways my congregations encouraged my heart:

I was very fortunate at our last church in that the church council reminded me on a regular basis that one of their jobs was to protect me. Their ability to handle some of the day to day small issues and disagreements that came up in the church without me having to worry about them was extremely helpful. Of course, if anything needed pastoral attention, I was present. Issues like: "Why did we sing that song?" or "Pastor did not visit this week" were handled prayerfully and properly by my leadership team. That is probably why my wife and I were there 7 years; even then it was hard to leave.

If you are near a lake, or some other natural resource, use it. Take you pastor and family on a boat ride or to a local park, places where the family might spend an evening or afternoon.

Take your pastor and family out for a meal, or better yet find out their favorite restaurant and give them a gift card.

Communicate with your pastor and ask the "How are you doing?" question. Then listen carefully. You may need to ask the question a few times to en-



courage a deeper response. For me, this kind of heartfelt question was more of an uplift that anything else, knowing someone was seeing the struggle and cared.

Do not forget Pastor Appreciation Month (October). It was so uplifting to me personally when I got a card signed by the attenders at my church. Actually a card shower is an inexpensive way to let them know you care.

Make sure your pastor has a night off every week. A night when the congregation knows that it is the pastor's time to be disturbed only in an emergency.

Build on these ideas from your own creativity to demonstrate your love and support for your bi-vocational pastor and family.

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**Bill Riley** is currently the senior pastor at the Huber Heights Church of God, Huber Heights Ohio, his first full time pastoring assignment in 35 years of ministry.

*Bill has served as an officer (pastor) in The Salvation Army. During that time, he moved to Springfield, Ohio and began attending Maiden Lane Church of God. He is an ordained minister in the Church of God.*

*In 2005 Bill was asked to be the worship leader at the Maiden Lane west campus in Enon, Ohio. During that same time, he was the owner of a private practice counseling center. In 2007, he served as the interim pastor at New Horizons Community Church in Blacklick, Ohio. He continued operating a counseling center in Springfield, Ohio during this time. Bill filled the pulpit 2 times at the Russell's Point Church of God, Russel's Point, Ohio and soon became their bi-vocational pastor. During that time he closed his private practice and began working at local mental health agency full time to provide income and insurance.*

# Chapter 8

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## The Interim Pastor

### Oral Withrow

*“Tychicus will tell you all the news about me; he is a beloved brother, a faithful minister, and a fellow servant in the Lord. I have sent him to you for this very purpose, so that you may know how we are and that he may encourage your hearts.”*  
(Colossians 4:7-8)

### Opening Words

Dave’s telephone call came as Laura and I were doing the things we had promised ourselves during the first weeks of retirement—we intended to travel and relax for some time. He asked if I were open to serving as the interim pastor for the church he served as minister of music. I agreed a few days later to accept the responsibility. We enjoyed it; the congregation and, later, the newly called pastor, generously expressed appreciation for our ministry. Serving as an interim pastor has been far more fulfilling for me and, if I have heard correctly the reports from the churches we have served, more beneficial to the local church than they had anticipated.

### The Growing Necessity of Interim Pastors

There was a time in past generations when very little time elapsed between the departure of a former pastor and the arrival of a new pastor. For most congregations, that has changed. Persons who counsel congregations advise that the time it takes to consider the needs of the church, to consider candidates, and to call a pastor now usually takes at least a year. There are several reasons but the following will suffice for our understanding here:

- Increasingly, congregations are more intentional and selective in the education and skills they seek in their next pastor—and are wisely using the transition time.
- Increasingly, pastors consider the school involvement and other priorities of the children in their family before considering a move.

- More so today, the pastor's spouse is employed in a significant vocation to which he or she senses a call and that person's sense of being released is an important factor in the potential pastor's move.
- Congregations are encouraged to do a self-study and then a profile of a pastor that could lead them effectively.
- Very simply, a shortage exists in the Church of God, and in many church groups of available qualified pastors.

### **Available Interim Pastors**

Some church groups require an interim period of at least a year between pastorates. Information on interim pastorates in the Presbyterian, Lutheran, and Southern Baptist churches, for instance, is available on websites and can be studied by entering the name of the church group and then the words *interim pastor*. The material for the Presbyterian Church is informative but their governmental structure, and that of the Lutherans, is different from our congregational form of church government. In the Church of God, guidance and advice are the strongest counsel national and regional organizations can offer congregations.

Experienced ministers have become increasingly aware that a personal ministry may be enlarged and extended through service as an interim pastor. Among those available for assignments, two categories of pastors accept most interim assignments:

1. Retired pastors: Many have flexibility in location, travel, and living arrangements.
2. Ministers serving full-time in higher education. They are limited by the travel time to the church and teaching schedule

Associate pastors: Many feel it is unwise to call a member of the congregation to be the interim pastor. A congregation, often influenced by a false economy, is tempted to ask an associate pastor to be the interim pastor. It is considered unwise because, for one thing, the regular responsibilities of the associate will be neglected as additional pastoral responsibilities are assumed. Another reason is that it is often difficult for the associate and some members of the congregation for that person to return to the associate's role—not a small consideration even for the maturest of persons.

### **The Call of an Interim Pastor**

The local pastoral search committee obtains the names of possible interim pastors usually from the following persons and sources:

- The state or area Church of God administrator or the chair of the area credentials committee; local church leaders may secure telephone numbers and addresses for these persons from the *Yearbook of the Church of God*.
- The administrators in the national Church of God Ministries office, 800-848-2464, or 765-642-0256.
- A well informed and respected senior pastor who for this purpose, and maybe other purposes, becomes a consulting pastor with the committee—a person recognized as a statesperson by his or her peers.
- The former pastor may make suggestions, but even the most mature may not be totally objective; the advice of a former pastor will best be augmented by counsel from other sources.

Sometimes a search committee (as well as a possible interim) may wish an interim candidate to preach a couple of times before a decision is made.

### **Interim Pastor Covenant**

A written agreement or statement of understandings is important. The covenant will clearly state the beginning and duration of the interim pastor relationship, responsibilities of the interim pastor and the congregation, mutual obligations in notifying each other if the relationship is to be discontinued, compensation, and so forth. The covenant will not presume to define pastoral prerogatives like the nature and content of sermons.

It may be stated in the covenant—and cannot be emphasized too often—that the interim pastor will not be a candidate to be the senior pastor. An interim pastor that is cordial and does the task well will be considered by some to be the one who is the obvious choice for pastor—it happens often. The interim pastor enters into a fellowship and intimacy with a congregation and his or her own needs may cause the interim pastor to aspire to be the senior pastor. Several negative situations can develop if either the church or the interim pastor allows this possibility to be considered. Church groups with vertical authority structures prohibit such possibility specifically. In the Church of God, with a congregational form of church government, rules can-

not be handed down but this guideline needs to be honored by each congregation calling an interim pastor.

### **Compensation**

This is no place to economize; both the congregation and the interim pastor can err by agreeing to compensation that is not consistent with the ability of the congregation nor an adequate reward for the hours and efforts the interim pastor will give to the church. I know of no instance, by the way, when an interim pastor has asked for unreasonable reimbursement, but I do know of instances when the good work of an interim pastor was too modestly rewarded. Cheaper help may be available—it usually is—but the congregation needs the ablest communicator and leader it can find to help it prepare for its next era of ministry

One person with a variety of experiences as an interim pastor asks the congregation to use the following formulae, for which he/she plans to work twenty-five to thirty hours per week. He/she suggests that they total the previous pastor's salary and benefits and then make his salary one half of that amount, prorated by the week or other pay period. Another requests \$700 or \$800 per week for part-time assignment. Persons serving as interim pastors have different financial needs and those needs should be taken into account. The committee determining compensation should include visionary and generous persons.

At least three other financial provisions will wisely be made: (1) The reimbursement of travel expenses to and from the pastors out-of-town home. Some interim pastors travel to their home weekly and others will make occasional trips. A standard business per mile rate reimbursement should be provided. (2) A discretionary fund should be put at the disposal of the interim pastor to use in hosting associate pastors, leaders of the church, and for such other expenditures as he or she deems necessary. (3) Naturally, a comfortable and convenient provision will be made locally for lodging.

### **Term**

The term of service for an interim pastor is usually six months to a year. Both parties may consider the assignment in three month segments. The covenant will wisely indicate that the term is concluded when the new pastor is called, on a date decided by the congregation or the responsible committee. The church or the interim pastor may conclude the relationship at the end of the three-month period if either considers the relationship non-beneficial.

The term also includes the days involved in the assignment each week. An interim pastor may serve:

- Sunday mornings only as the worship speaker. It is probably best not to describe as an interim pastorate. The older phrase “filling the pulpit” would be more accurate.
- Three or four days including Sunday, for approximately twenty-five to thirty hours per week. Most interim pastorates are structured on this basis.
- Full-time. The interim pastor may serve the same number of days per week and with the same duties and compensation as the previous senior pastor. A few congregations use this plan.
- An interim pastor may be called to serve a congregation during a leave of absence or sabbatical experience for their senior pastor

### **Responsibilities**

Generally speaking, the responsibilities of the interim pastor are those of the senior pastor, which may be summarized as preaching, teaching, pastoral care, and administration but will not include the visioning or futuring work that is expected of a resident pastor. The interim pastor will have a principle, if not the principle, responsibility to preach on Sunday morning during the worship service. It is an awesome task, preaching. Many persons reserve at least a half an hour each week to hear the pastor interpret the Bible and the implications for their lives.

The interim pastor may also meet weekly at a mutually convenient time with the associate pastors or, in a smaller church, the worship leadership group. The purpose is coordination of ministries and encouragement as well as conversation and fellowship.

The interim pastor may lead Wednesday evening meetings and small group studies, as agreed upon in the written covenant. The pastor may offer his or her particular expertise as a special service. I served as a congregational consultant for many churches and made myself and the many materials I have available to the congregation as a gift.

Through sermons, meetings, and conversations, in an important enabling action, the interim pastor can call forth the spiritual gifts and skills of the

church members, some gifts that may have been dormant for a time. In several ways the gifts may be re-energized and helpfully employed in the preparation time for the new pastor. A veteran interim pastor interim advises, "Find out who the high trust leaders are and find a way to incorporate them into leadership, i.e. spiritual advisors. Get invited to eat in their kitchens."

It is appropriate to indicate in the agreement the tasks that the interim pastor will *not* do. For example, I had been fatigued by a demanding visitation schedule most of my pastoral ministry. I learned that many lay persons were more gifted than I for the visitation ministries and thus developed structures for a more expansive and intensive visitation. When I am called to be an interim pastor, therefore, I indicate that I will not do a major load of visitation but will help the associate pastors and lay leaders develop a schedule for visitations that may have a positive implication for local lay ministries in the future as well as the present.

This type of definition of responsibility may be possible in other areas, depending on the gifts and interests the particular person called as interim pastor. Interim pastors often indicate that they will not accept any long-term counseling relationship, weddings, and similar responsibilities that create a bond with persons and families of the congregation.

### **Congregational Profile**

Many persons in state, regional, and national administrative offices encourage congregations to do a self-study and to develop a congregational profile during the interim. It is a most informative and rewarding exercise; a congregation can learn so much about itself. A statement about the type of pastor that will best serve the church in the future can then be developed—again, a rewarding experience. The interim pastor will accept as an important responsibility the task of both encouraging a congregational self-study and the preparation of a potential pastor profile.

Contacts with key leaders of the congregation are necessary. The contacts may be for lunches or dinners, as a guest in a home, or scheduled meetings with a stated purpose. The meetings can assist an interim pastor as he/she discerns the ministries with which he/she may be most helpful and if any difficulties need imminent attention. Experienced interim pastors indicate that contacts are informative and often lead to healing with persons who may have felt estranged from the congregation. In most contacts the role of the interim pastor is listener and learner.

## Type of Ministry Gifts of Interim Pastors

Interim pastors have a variety of strengths and gifts, as do other pastors. Most pastors have developed skills that permit them to work in varied situations and with multiple personality types. Even so, identifying an interim pastor known to have one or more of the following skills may be important for a congregation:

- **Communications**—Some congregations have become accustomed to a pastor with outstanding preaching skills. An interim pastor with average preaching each Sunday morning will be disappointing to that congregation. (By the way, studies have shown that pastors do not do well at evaluating their own preaching, so it is best to get a third party opinion.)
- **Healing**—In previous assignments a potential interim pastor may have demonstrated an ability to help heal fractures in the fellowship. Interim pastors can encourage appropriate expressions of grief at the loss of the previous pastor and the equally important task of creating “emotional space for the new pastor.”
- **Preparation**—Some persons prepare the congregation well for the beginning of the next pastor’s ministry. They awaken the church by calling attention to possibilities and encourage attitudes and actions of trust in leadership on the part of the people. Also, they may encourage building or staffing needs that are obvious and, thus, pave the way for the new pastor’s initiatives.
- **Visioning**—Pastors that have served with innovation churches will, in obvious and subtle ways, encourage a group of people to think about what the unique ministry their congregation might have as it embraces the future with courage.
- **Finances**—Many pastors have demonstrated skill at working with churches to increase their resources and on how to budget for ministry. Some churches need guidance in how to arrange for more adequate compensation for their pastor and associates.
- **Culture**—Culture specifications may be obvious, such as Caucasian, Hispanic, African-American, Indian, Korean, and so forth. Additional cultural factors that should be considered in determining who would best serve as interim pastor include the categories like the following: rural, inner city, suburban, factory workers, professionals, older, younger.



Of course, the congregation will want an interim pastor with all these gifts and then insist that he or she become the pastor.

### **Sermons**

Sermons are at the center of worship in our tradition while communion is the focus in other traditions. It is in the sermon that the community of believers receives instruction and inspiration for the Christian life. The sermons of the interim pastor are vital to the health of the community and individual believers during the transition period in the church's leadership. The needs of the congregation will be assessed through inquiry and prayer by the wise interim and sermons will be thoughtfully prepared and delivered. Observations made about the sermon by experienced interim pastors are:

- **Affirming**—It is the one description used more than any other term in speaking of the sermon. The opposite would be condemning, implying blame, or preaching guilt.
- **Lay gifts and leadership**—Lay persons are urged to exercise their gifts and to respond to opportunities for leadership. This time has a potential for a new beginning for persons who have been neglecting their gifts, for whatever reason.
- **Fresh**—Canned sermons are boring to the deliverer and the listener. This does not suggest that all sermons should be from new outlines or manuscripts; many experienced interim pastors have excellent sermons that any church in transition should hear. It is suggested that each sermon be tailored for the present congregation. I did this by demanding of myself the preparation of a new series of sermons based on one of the New Testament epistles. One series that was profitable for me in the context of a specific congregation was a study of Philippians.
- **Biblical**—It is assumed that all sermons are biblical. In the case of an interim, however, I suggest that Bible stories and the teachings of Jesus be emphasized in order to stress the simple fundamentals of discipleship and church life.
- **Share the leadership**—The interim pastor will preach, but it will be best to insist that lay persons participate in worship leadership, as illustrations in the sermon or, if possible, as participants in the sermon.

## Closing Words

The Interim Pastor Is *Not* the Pastor. It takes congregational and leader discipline to avoid potential pitfall. The interim pastor is sort of a John the Baptist—a forerunner. The interim prepares the way for a good beginning with a new pastor. Don't carry the metaphor too far, however, the new pastor is not a savior. The roles are different, and the most helpful interim pastor will constantly be conscious of that fact and remind the leadership committee when necessary.

The interim pastor will be aware of and refuse to develop a personal following. All of us like to be liked and appreciated. The relationship to avoid is personal or group attachment; that should be reserved for a resident pastor.

Creative persons, as most experienced pastors are, tend to see things that can be begun, particular edifying ministries. The interim pastor will avoid building programs, establishing ministry priorities, or creating organizational structures.

Maintaining linkages is a key task of the interim pastor during the transition. It is a responsibility to encourage good and honest relationships with state, regional, and national Church of God agencies, as well as participation in local ecumenical fellowships.

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*This chapter is adapted from a similar chapter from the handbook, Mission Possible! The Pastoral Search Committee Handbook, published in 2004 by the Congregational Ministries Team of Church of God Ministries, Anderson, Indiana, Jeannette Flynn, Team Leader.*

*Oral Withrow was a church planter and church growth enthusiast and expert. Author of several books, he retired as vice president and minister of church growth for the Board of Church Extension of the Church of God. He continued to serve the church in various roles—interim pastor, conference speaker, and consultant—until his death in 2008.*

# Chapter 9

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## Best Practices in Pastoral Compensation

Bob Moss

*“All things are lawful,’ but not all things are beneficial. ‘All things are lawful,’ but not all things build up. Do not seek your own advantage, but that of the other.”*  
(I Corinthians 10:23-24)

### Opening Words

When churches utilize best practices in hiring and compensation decisions, it helps to contribute to the long-term health of both the minister and the congregation.

Every decision has a cost. While cost of providing compensation has a dollar cost, the cost of an inadequate compensation package has negative consequences for both the minister and ultimately affects the health and future of the congregation if the pastor finds it necessary to abandon his or her post for financial reasons. Providing proper wages and benefits and gaining an understanding of the many legal nuances and complexities of clergy compensation is a serious responsibility of the church board. It is judicious to ensure that best practices are followed in order fulfill the moral and legal mandates entrusted to the church board.

### Determining Adequate Compensation

One of the most challenging responsibilities given to church boards is that of determining fair compensation for church staff. Job descriptions and responsibilities can vary widely as do the persons filling the ministry positions. At times it may feel that the task of determining adequate pay is nearly impossible. In this section we revisit some of the fundamentals or best practices for pastoral compensation.

### **The basic question**

In considering the costs of pastoral compensation, a church board or compensation committee would do well to return to this basic question: *Did our church call this pastor to lead us, and did we do so believing that the Lord was in the midst of our decision?* If so, a congregation would do well to remember that they have assumed a divine responsibility of ensuring that the needs of Christ's servant are adequately met as he or she ministers to and through the congregation.

### **Loss assessment**

A secondary question is this: *What would be the cost to the congregation in terms of loss of morale, and in financial support if this pastor departed for financial reasons?* Often the case can be made that the loss of this staff member would be very costly to the church in terms of a downturn in attendance and tithes affected.

If this pastor left, what would it cost to bring in a new pastor—and how does hiring one who does not have the same level of experience impact the direction of our ministry? How much time and momentum would be lost as the people whose lives are already busy are diverted from other ministries in order to search for a new pastor?

A new incoming pastor will often require a compensation package that is higher than the departing pastor who has been with your congregation a long time. Therefore, giving your existing pastor a raise will almost always be less expensive than what his or her replacement will cost. Furthermore, it will ensure long tenure for your staff and keep your ministry moving forward without interruption and loss of momentum.

Consider the case of the well-loved and effective associate pastor who resigned over the refusal of the board to grant a cost-of-living raise. All said, the cost to the church would have been \$1,300 per year (\$25 per week). The result was the church lost a well-loved associate pastor and spent thousands more in actual dollars to interview and pay moving costs for his replacement.

Yes, the cost of increased compensation has a dollar figure—but so does the cost of neglect.

### **Consider salary “recalibration” when growth occurs**

When a congregation experiences substantial growth, it is easy for the com-

compensation packages of the staff to lag far behind. What may have been adequate support for a pastor at the outset of his or her ministry with a church may become inadequate as the church grows. In some cases, incremental or percentage increases are insufficient to help a pastor “catch up” to a wage more commensurate to the size of the congregation. For instance, when a pastor enters into a congregation with an attendance of 150 worshippers the compensation package for that level of ministry may be far less than what is needed for the increased size of responsibility in a congregation of 450. While the congregation may have grown by 300% it is unlikely that the board would triple the minister’s salary. Nevertheless, an incremental or percentage increase is often an insufficient method of figuring appropriate compensation. Mere percentage increases can often cause the minister’s compensation to fall far below the growth trajectory of the church. In those cases, a recalibration (resetting of the pay structure) is necessary to adequately pay the pastor of a much larger ministry.

### **Review the org chart and job responsibilities**

When reviewing your compensation plan for clergy, it is recommended that a review of the organizational chart, job description, and each ministry role is evaluated. Seek to understand if the salary is commensurate with the job responsibilities.

In reviewing the ministry responsibilities consideration should also be given to the kind of value a staff person brings to the church as a whole. If his or her ministry is growing and positively affecting church attendance, it should be taken into consideration in the midst of compensation discussion. If staff reviews have been conducted on a periodic and consistent basis, they should be influential in overall decisions about pay. All of these factors are important.

### **Best practices call for research**

Much is at stake if the local church fails to adequately or legally compensate their pastor. Those in charge of setting the compensation package must do their homework. It is not appropriate to base financial compensation decisions on mere emotions or on what board members perceive to be the state of the economy. Such subjective analysis can often lead to emotion-based decisions when logical, studied decisions are needed.

***“My employer didn’t give us a raise —why should the pastor get a raise?”*** is often the unspoken question.

Excellent sources are available today to inform the compensation decisions of a local board. These sources for research include:

- Servant Solutions website, Memo Series, #4 *Strategies for Structuring Ministerial Compensation*.
- *Compensation Guide for Church Staff* by Richard Hammar, published annually and based on surveys of church in various places urban, suburban, and rural. The publication also compares compensation according to geography, size of the congregation, and the education and experience of the pastor.
- Leadership Network compensation surveys for local churches.

It is also possible to find compensation comparison in the community. The public school system by law must publish the compensation levels of its teachers and administrators. If this information is not easily found online, a phone call to the public school treasurer can easily result in the compensation structure being sent by email to the one inquiring.

Though this is more art than science, consider comparing the lead pastor to a high school principal. Both are likely to have master’s degrees, and both oversee complex organizations that require unique and diverse skill sets.

Helpful questions may include:

- *What is the economy of the community?*
- *What is the median household income?*
- *What is the demographic of the church?*
- *What do median wages look like in your community?*
- *The answers to these questions will be different in Atlanta than they are in Portland or Lansing.*

### **Don’t neglect the peripheral expenses of ministry**

Elsewhere in this manual the specifics of compensation are clearly described. Posed here is a fundamental question. How much of the peripheral expenses of ministry should a pastor be expected to pay out of his or her

own pocket? Often the church neglects to account for these costs and the minister is financially hampered by paying these costs personally.

Examples include:

- Business and professional expense reimbursement
- Business use of automobile
- Continuing education to sharpen ministry skills
- Convention and assemblies travel and registration costs
- Hospitality
- Pastor's professional library
- Dues to professional organizations
- Church supplies (greeting cards, postage, and the like)

It is imperative that the church allow for these expenses in their operational budget and not include these costs under the category of pastoral compensation as these are business expenses and not compensation.

### **Consider special needs**

There may be times when a pastor is so valuable to a congregation that his special needs trump the other guidelines. If, for example, a pastor has children with special needs, excellent health care coverage is essential. Or the pastor may need a house with hallways wide enough to accommodate a wheelchair. These special needs should be taken into consideration even if it means paying the pastor more than is usually provided for a pastor in his or her area.

A wise church will carefully and generously care for those who lead the church. The Scripture clearly teaches us to pay our pastors.

### **Consider the Social Security tax burden**

Remember that while your pastor enjoys the benefit of a housing allowance that shelters some of his or her wages from income tax, a pastor is considered to be self employed by the government and must pay 15.3% of total income in Social Security tax. Many congregations take this into account and adjust total compensation upward in order to help lessen this financial burden.

## Closing Words

Careful evaluation of all that has been mentioned above can cause one to feel overwhelmed. It's important to remember, however, that the entire restructuring of compensation doesn't need to happen overnight. It is reasonable to implement a three to five-year action plan to get everything on track for the future.

It is also important to keep your church staff informed of your intention to overhaul and upgrade the compensation system in your church. They will be grateful and you'll most likely see a boost in morale. Be assured that positive steps toward implementing best practices in compensation will greatly enhance the growth and health of the local church.

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*His perspective of pastoral ministry and congregational life is broadened by his service to several agency boards, a term as Regional Pastor for 150 congregations in Indiana, serving as two-term chairman of the General Assembly of the Church of God and by his present assignment as the Chief Advancement Officer for Church of God Ministries.*



# Chapter 10

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## Pastoral Compensation: Thinking Theologically

James W. Lewis

*"...and he said to them, "You also go into the vineyard, and I will pay you whatever is right".* (Matthew 20: 4)

### Opening Words

In discussions of our national economic health, the level and rate of growth in workers' pay are inevitably part of the critical conversations. We acknowledge workers' pay and compensation as part of the air we breathe. Throughout the history of nations, the plight of workers has been a significant issue and a barometer of national moral health.

Long before the importance of this issue to modern nations, the scriptures of the church and their interpretations have served as foundation and framework to guide our reflections in this area. Books and articles have been published, and workshops have been offered on compensation inherent in economic systems.

In the world of modern business, discussions of compensation reveal the character of exchange transactions. The notion of "exchange" can be used both pejoratively and positively. Positively, one assumes wages for specific services rendered. Negatively, one denotes how valued relationships can be commodified, reduced to language of market exchanges.

While the church is not fundamentally a business enterprise, it nonetheless allows for compensation to those who labor in service to God's people. However, the complexities of modern life so dwarf the level of economic exchanges in biblical times that one can feel that the Scriptures have nothing relevant to say in contemporary compensation and wage decisions. Yet, we must not give in to this way of thinking.

This essay seeks to articulate a theology of compensation. Lest there be any doubts, a focus on this topic is indispensable to the life and ministry of God's Church. This chapter is not fundamentally concerned about setting a precise level or range of acceptable compensation. Those concerns are addressed elsewhere. The focus is not the WHAT, but rather the WHY of compensation. The written discussion will be limited principally to those relationships between congregations and their pastoral leaders, e.g., senior/lead pastors, worship pastors, outreach pastors, business administrators, and other such workers.

The first section will discuss compensation as a divine notion or idea. Following sections that survey and reflection on Old and New Testament passages will provide a biblical framework for compensation. Finally, the paper concludes with summary statements distilled from this examination that reinforce both the necessity of compensation and a framework for crucial conversations within congregational life.

## **The Biblical Idea of Divine Reward**

To begin, a discussion of divine reward serves to provide an overarching rationale to the idea of compensation. Old Testament and New Testament references provide examples: "The wages of the righteous is life, but the earnings of the wicked are sin and death" (Proverbs 10:16). "For the wages of sin is death, but the gift of God is eternal life in Christ Jesus our Lord" (Romans 6:23). The thrust of these examples is not to reduce God's capacity for reward and retribution to the level of market exchanges. Rather, the emphasis is to insist that ideas of "wages, earnings, pay" are not alien to the divine vocabulary ascribed to God in the biblical story.

Additionally, a kingdom parable in Matthew 20:1-16 includes a well-known phrase about payment for labor rendered. Matthew records Jesus telling this parable of how the kingdom of heaven is like a landowner who went out early in the morning to hire workers for his vineyard; the landowner agreed to compensate them the usual daily wage (verses 1-2). At nine in the morning, the landowner saw some additional laborers and summoned them also to work in his vineyard and promised to "pay (them) whatever is right" (verses 3-4). When evening had come and the time for labor had concluded, the landowner instructed his foreman to pay the workers their wages, beginning

with the last ones hired. Inherent in the parable's meaning is the truth that the kingdom reverses what humans and human institutions consider normative; that is, "the last will be first, and the first will be last" (verse 16).

In this parable of the kingdom of heaven, Jesus employs the well-known phrase, "Whatever is right I will pay." In penning these lyrics in 1897, William J. Henry immortalizes Jesus' words in his gospel song, *I Cannot Be Idle*: "I cannot be idle, for Jesus says, 'Go and work in my harvest today.' And then at the evening when labor is done, whatever is right I will pay."

The language of compensation is not intended to be the sole logic of human beings. That there is a biblical understanding that assigns a prior idea of compensation to the triune God is clear. Therefore, in light of this overarching divine logic of compensation, we the church must be careful to view compensation as having both divine and human relevance.

The idea of wage appears often in the divine story of God's revelation. To what extent have you considered the idea of wage as part of this story? How do you view biblical references to the idea of wage, literal or metaphorical?

## Identifying and Clarifying Old Testament Themes of Compensation

Having established a divine basis for compensation, let's turn to additional biblical references on compensation and discuss their implications for life in the Church.

### The Torah (Genesis-Deuteronomy)

In the Jacob-Esau narrative, the relationship of Jacob and his uncle Laban illustrate the centrality of laboring for "wages." After a brief time of family connection, Laban assumes that Jacob will work for him. Laban makes clear to Jacob that he does not expect him to work for nothing, but that he should earn a wage. Laban refuses to take advantage of his family relationship with Jacob to garner free labor (Genesis 29:15). Similarly, in their continuing relationship, often filled with deceit on Laban's part, Laban once again insists

that he will pay the wage Jacob names (Genesis 30:28). Jacob's preference in compensation was not any tribal currency, but rather receiving the speckled livestock from Laban's entire inventory (Genesis 30:32).

Jacob points out to Laban a purpose to which compensation may be put to use. Jacob and Laban know that Jacob's labor has blessed Laban tremendously (30:27). Yet, Jacob desires to bless his own household: "The little you had before I came has increased greatly, and the Lord has blessed you wherever I have been. *But now, when may I do something for my own household?*" (emphasis is mine). Jacob reminds Laban that a laborer, even if a relative, is not to be exploited. Jacob's question to Laban underscores his desire for a reciprocal relationship—not simply a one-way relationship. Without reciprocity, Jacob could never be a "giver" but only a "recipient."

Think about the dual action of recipient and giver. How does a fair wage empower a pastor to be both a gracious recipient and a responsible giver?

When Jacob departs Paddan Aram with his wives, children, flock, and material possessions, Laban pursues Jacob and confronts him for his deception. Jacob responds with this rebuke to his father-in-law: "...I worked for you fourteen years for your two daughters and six years for your flocks, and you changed my wages ten times. If the God of my father, the God of Abraham and the Fear of Isaac, had not been with me, you would surely have sent me away empty-handed. But God has seen my hardship and the toil of my hands, and last night he rebuked you" (31:41-42). Jacob's response to Laban characterizes Laban's deception in paying Jacob his just wages as an affront against God and him.

Moving farther into the Torah, the book of Leviticus offers some biblical insight into the notion of compensation. The Levites were God's priests who did not inherit territory as the other Hebrew tribes, yet God sustained them as they cared for the activities of worship. Leviticus 17-26 is referred to as the Holiness Code. The phrase "I am the Lord" serves as the tagline for the instructions that Yahweh gives to the people. In this code there is a direct relationship between true worship and sacrifice to Yahweh, and the treatment of those who labor. Leviticus 19:13 reads, "Do not defraud or rob your neighbor. Do not hold back the wages of a hired worker overnight." The wages of

a hired worker bring with them the obligation not only to pay workers their wage, but to do so in a timely and just manner.

In the book of Numbers, the author records The Lord saying to Moses what he must tell the Levites, "You and your households may eat the rest of it [the tithes of grain and fruit offered to them by the Israelites] anywhere, for it is your wages for your work at the tent of meeting" (18:21-22). The Levites would have no inheritance in the land. The Lord would be their share and their inheritance. That is why the Lord gave the Levites all the tithes in Israel in return for the work they do while serving at the tent of meeting. The ministry of the Levites comes close to what we consider pastoral work today. One can argue that if the Levites who served at the tent of meeting deserved wages, then most surely those who serve today in the house of the Lord also deserve compensation.

Finally, Deuteronomy 24:14-15 commands the Israelites to resist taking advantage of a hired worker who is poor and needy, whether that worker is a fellow Israelite or a foreigner residing in their territory. The command intensifies by saying "pay them their wages each day before sunset, because they are poor and are counting on it. Otherwise they may cry to the Lord against you, and you will be guilty of sin." Note the similarity both to Jacob's crying out to the Lord about Laban's mistreatment of him and the command given in Leviticus 19:13. Again, there is the expectation that laborers deserve to be paid wage that are both equitable and timely.

What would "crying out" look like in today's circumstances? Do you know of pastors who have cried out, silently or vocally?

The Old Testament is filled with references to the owner, laborer, and the mutual expectation that wages are to be paid. The above references will suffice for the present scope.

## Identifying and Clarifying New Testament Themes of Compensation

Passages from the gospels and the epistles speak clearly to the idea of leader compensation. After brief references to several passages, I will conclude this review with a discussion of 1 Timothy 5:17-18, as it more directly speaks to compensation for pastoral leaders. In doing so this salient reference refers to passages ascribed to Jesus in Luke 10:7, to Paul's teachings in his Corinthian letters, and to Yahweh in Deuteronomy 25:4.

**James 5:4**—James is a general epistle intended for all Christians. James provides practical instructions to Christians on how to live a Christ-centered life. It matters how we understand what “true religion” is to look like (1:27). In 5:4, James warns the rich about oppressing others. James presents a picture of the ethical requirement to pay workers their earned wages: “Look! The wages you failed to pay the workers who mowed your fields are crying out to you. The cries of the harvesters have reached the ears of the Lord Almighty.” Recall Jacob’s emotional response to Laban in Genesis. Remember the commands in the Holiness Code to pay timely and just wages in Leviticus 19.

It may be surprising to read instructions about wages in a biblical Holiness Code. How can timely and just wages be a holiness concern?

**2 Thessalonians 3:10, 12**—Paul warns against idleness among the Thessalonians. The warning includes a summary rule that “the one who is unwilling to work shall not eat” (2 Thessalonians 3:10). Paul continues by urging and commanding such people “to settle down and earn the food they eat” (2 Thessalonians 3:12). We should be careful about extending this rule *carte blanche* to all contemporary circumstances. Yet, it strongly suggests that life in a healthy community involves both gift and responsibility. Congregational life does require the giving and receiving of gifts; so congregations in relation to each other are mutually accountable to each other.

**1 Timothy 5:17-18 (with 1 Timothy 3:3, 7; Luke 10:7; 1 Corinthians 9:9; 2 Corinthians 11:8; Deuteronomy 25:4)**—1 Timothy 5:17-18 reads: “The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. For Scripture says, ‘Do not muzzle an ox while it is treading out the grain’ (See Deuteronomy 25:4) and ‘the worker deserves his wages’(See Luke 10:7).

Earlier Paul indicates that one who aspires to be an overseer desires a noble task (3:1). The character of an overseer is highlighted in 3:1-7. Read 1 Timothy 5:17-18 from the point of view of the overseer. The overseer or leader is not to be a “lover of money” or obsessed with the pursuit of it (3:3). In addition, they are to have a good reputation with outsiders (3:7).

Elders, those in positions of leadership who direct the affairs of the church well, are worthy of double honor, especially those whose work is preaching and teaching (5:17). Faithful leadership plays an essential role in the spiritual health of Christians and the church. There are leaders who have destroyed people’s lives and dismantled the health of their congregations. So keep in mind that we should honor not just elders or pastoral leaders in general, but those who lead *well*. Those who direct the affairs of the church well are those who are faithful, trustworthy, obedient, kingdom-focused, ardent against false teachings, and so forth.

Faithful leaders are to be supported financially, even materially, for the service they render to the congregation. This is especially the case with those whose primary ministry is preaching and teaching. Philip H. Towner says that to be worthy of “double honor” brings together “respectful submission to authority” and “remuneration” (Towner, 124). Towner contemporizes Paul’s command to apply to members of the pastoral staff. Gordon Fee, I believe, is right to say that “double honor” does not equate to double pay (Fee, 129).

The words of 1 Timothy validate from the scriptures this requirement to support financially faithful leaders, especially those who preach and teach. From the Old Testament, the writer of Deuteronomy 25:4 supports in part his pastoral claim to compensate faithful leaders. William Barclay in his Commentary on this passage also believes “Elders are to be properly honored and properly paid” (Barclay, 130). In the commentary on this passage, he shares the practice of not muzzling the ox:

When threshing is done in the Middle East, the sheaves of corn were laid on the threshing-floor; then oxen in pairs were driven repeatedly across them; or they were tethered to a post in the middle and made to march round and round on the grain; or a threshing sledge was harnessed to them and the sledge was drawn to and fro across the corn. In all cases, the oxen were left unmuzzled and were free to eat as much of the grain as they wanted, as a reward for the work they were doing. The actual law that the ox must not be muzzled is in Deuteronomy 25:4 (Barclay, 130).

Ben Witherington, commenting on 1 Corinthians 9:1-27, argues that “Paul seems to make clear that a person should expect to get his [or her] living from his or her work” (Witherington, 207). He further argues that the Old Testament law in Deuteronomy 25:4, which Paul cites in 9:8f, aligns with the same principle found in 9:7. Witherington indicates that one should not claim in 9:9b that God cares nothing about oxen; yet, he goes on to say, and I agree, that these laws were primarily written for human benefit.

Furthermore, the writer in 1 Timothy 5:18b, uses Jesus’ words in Luke 10:7 to complete his scriptural support for his claim that congregations ought to pay those who labor well among them: “The worker deserves his wages.” Luke records Jesus’ words in Luke 10:5-6 that “those into whose house they enter and who show *peace* to them, then their peace will rest upon them.” In 10:7, Jesus commands his disciples to stay there, do not move from house to house, and eat and drink whatever they give you. Jesus equates this to the expectation that “the worker deserves his [or her] wages.” Joel B. Green promotes the idea that “pay” in 10:7 is specified as the reception of hospitality. According to Green, Jesus places his disciples in a place of tension between dependence on and the abuse of hospitality” (Green, 414).

Draw a connection between hospitality of a congregation toward its pastoral leader(s) and the idea of compensation. How does pastoral compensation reflect the degree of hospitality of that congregation toward its pastor?

Again, in 1 Corinthians 9:1-27, it is interesting to note Paul’s willingness both to accept and to reject support (Witherington, 203). Witherington reminds us, in commenting on 9:4, that Paul assumes that the Corinthians should



know that he has the right to receive support. According to Witherington “support” means room and board (207). Witherington goes on to claim that Paul’s basic premise was to accept support and hospitality for his ministry. The basis for refusal of support reflected on Paul’s discernment that to accept support would hinder him in fulfilling his divine call as an “itinerant church planter” (209).

## Closing Words

These statements summarize highlights of the biblical and theological examination regarding pastor compensation:

1. Compensation viewed rightly is a divine vision for human interaction.
2. Work is both a gift and a responsibility. Those unwilling to work should not eat; they should earn the food they eat (2 Thessalonians 3:10, 12).
3. Compensation for those who labor well in the ministry is a biblical commandment.
4. Pastoral leaders should not be expected to go into debt to meet their daily provision, while their members pursue their livelihood and acquire resources for their families (Luke 6:31).
5. Pastoral leaders should not be careless and aimless in assuming debt, but rather should aim to owe no one anything, except to serve as a conduit of love to others (Romans 13:8).
6. Pastoral leaders should be paid sufficient compensation to meet the aim above in a faithful manner. Sufficient compensation also allows pastoral leaders to provide for their families.
7. Pastoral compensation allows pastoral leaders to exercise faithful stewardship generally and financial stewardship specifically.
8. Just compensation by a congregation is “the seed for the sower, by which generosity, hospitality, and gratitude might be exercised by pastoral leaders (2 Corinthians 9:10-11).
9. The noble purpose of compensation is to diminish shame and inhuman dependence on others and to promote honor—to empower rather than to dehumanize.

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**James W. Lewis**, a native of Houston, Texas, is a disciple of Jesus Christ. For nearly forty-four years, he has been married to Barbara Kaye. God blessed them with two daughters and two granddaughters. He is recently retired from Anderson School of Theology after twenty-four years, having served as Dean and Professor of Theology and Ethics for most of those years.

He has enjoyed an extensive and varied ministry of preaching, teaching, and workshop leadership in many parts of the United States. He loves to be with his family, and also enjoys reading, walking, traveling, and watching sports. His greatest desire is to love God more perfectly, to live in the world more faithfully, and to equip and encourage God's people more passionately. He feels especially called to sharing the Good News of the gospel of Jesus Christ to a hurting world, and to preparing men and women for the ministry of biblical reconciliation—seeking by God's grace to multiply wholeness in a divided world.

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# Appendix A

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## First Church of God Personal & Confidential

### EMPLOYMENT OR CALLING AGREEMENT

NOTE: This is not to be considered a contract in the usual sense. It is simply a written statement of ministerial compensation as agreed to by church leaders and pastor. The Board of Directors of First Church of God and \_\_\_\_\_ (hire date: \_\_\_\_\_) have discussed the following salary, fringe benefits and professional expense allowances and have reached understanding and agreement. This agreement is effective from January 1, 20XX to December 31, 20XX.

- I. **SALARY** for the year will total \$65,998.25 and will be paid bi-weekly. Housing allowance declared for 2016 is \$30,000.00 of this amount. This amount reflects \$12,000 (\$8,000 premium and \$4,000 HSA) as a permanent increase to offset healthcare insurance that is the responsibility of the pastor to obtain. This amount also reflects a \$500 permanent increase to offset the dental/vision allowance previously provided as part of your Health Savings Account (HSA) in the past.
- II. **FRINGE BENEFITS**
  - A. **Pension Contribution.** The church will pay 8% of total salary (less healthcare increase of \$12,000 and \$500 dental/vision). Amount this year will be \$4,279.86.
  - B. **Health Insurance.** Coverage for the minister and family will be the responsibility of the minister.
  - C. **Social Security.** The cost is paid by the minister as he is considered self-employed for Social Security purposes. However, since the pastor is an employee of the church, the church provides the pastor with the equivalent percent, which employers pay. For this year that amount is \$4,092.62 (7.65%) of total salary (less healthcare increase of \$12,000 and \$500 dental/vision).
  - D. **Vacation.** The church provides 4 full weeks for the year. Associate and support-staff need vacation dates approved by the Senior Pastor.
  - E. **Workman's Compensation Insurance.** Coverage is provided by church for employees.
  - F. **Emergency Leave of Absence.** Emergency leave is defined as time away for serious illness or death of a member of the minister or spouse's family. It may also include emergency reasons as agreed upon between the minister and the church (Board of Directors acting on behalf of church). The minister will receive normal salary.
  - G. **Sick Leave.** The sick leave agreement concerns illnesses and injuries, which cause disability extending beyond 90 days. Salary will continue at full rate for 90 days.
- III. **BUSINESS EXPENSES**
  - A. **Ministerial Leave of Absence.** The minister is free to be away for a total of 3 weeks which can be distributed between the following: 1) preaching, missions, conference leadership, etc. (Maximum of two weeks), 2) educational/continuing ed. experiences (max of two weeks).
  - B. **Educational Provision and Convention Expense.** While on ministerial leave of absence for educational purposes: tuition and meal costs up to \$ 750 are to be paid by the church.
  - C. **Publications, Associations and Library.** The minister is free to invest \$250 in various professional associations, magazines, CDs, books, etc. These items are to be the property of the minister.
  - D. **Pulpit Supply.** During approved absences (those identified under Ministerial Leave of Absence or other approved absences), the church is to pay the supply cost. When the minister is paid by both First Church of God and the group receiving his services, the minister is to pay the pulpit supply costs.
  - E. **Professional Expenses.** Expenses for business related meals, entertainment, and other business related expenses incurred to the pastor. This is included in the church budget under staff business expenses (budget for 2016=\$250). Approval by Sr. Pastor needed for expenditure.

**First Church of God  
Personal & Confidential**

G. **Personal Auto Use:** Miles reimbursed at \$.54 per mile (adjusted to keep pace with IRS allowable rate).

H. **Other** \_\_\_\_\_

**BUSINESS EXPENSE TOTAL:** \$1,250 plus mileage reimbursement (mileage is budgeted at \$500 for 2016)

**Salary & Fringe Benefit Detail**

<b>BASIC</b>	<b><u>2015</u></b>	<b><u>2016</u></b>
Salary	<u>\$17,968.56</u>	<u>\$23,498.25 (reflects 1% merit increase)</u>
Housing Allowance	<u>\$35,000.00</u>	<u>\$30,000.00</u>
Dental/Vision Adjust.	<u>\$500.00</u>	<u>\$500.00 (will not reflect in future merit increases)</u>
Health Insurance Adjust.	<u>\$8,000.00</u>	<u>\$8,000.00 (will not reflect in future merit increases)</u>
HSA Adjustment	<u>\$4,000.00</u>	<u>\$4,000.00 (will not reflect in future merit increases)</u>

**FRINGE BENEFITS**

Health Insurance (reflected above)	(reflected above)	
Pension	<u>\$4,237.49</u>	<u>\$4,279.86</u>
Social Security (SECA Allowance)	<u>\$4,052.10</u>	<u>\$4,092.62</u>
Other:	<u>\$1,250 plus mileage</u>	<u>\$1,250 plus mileage</u>

\_\_\_\_\_  
Pastor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Pastor/Board Chairperson

\_\_\_\_\_  
Date

# Appendix B Completion of Form W-9

Form **W-9**  
(Rev. December 2014)  
Department of the Treasury  
Internal Revenue Service

## Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

**Print or type**  
See Specific Instructions on page 2.

**1** Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.  
Samantha A. Johnson

**2** Business name/disregarded entity name, if different from above

**3** Check appropriate box for federal tax classification; check only **one** of the following seven boxes:  
 Individual/sole proprietor or single-member LLC  
 C Corporation  
 S Corporation  
 Partnership  
 Trust/estate  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ \_\_\_\_\_  
**Note.** For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.  
 Other (see instructions) ▶ \_\_\_\_\_

**4** Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
 Exempt payee code (if any) \_\_\_\_\_  
 Exemption from FATCA reporting code (if any) \_\_\_\_\_  
*(Applies to accounts maintained outside the U.S.)*

**5** Address (number, street, and apt. or suite no.)  
1115 State Street  
Requester's name and address (optional)

**6** City, state, and ZIP code  
Anytown, IN 46024

**7** List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number								
9	9	9	-	9	9	-	9	9

or

Employer identification number								
		-						

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

**Sign Here** Signature of U.S. person ▶ *Samantha A. Johnson* Date ▶ June 27, 2016

# Appendix C Minister Samantha's Form W-9

Form <b>W-9</b> (Rev. December 2014) Department of the Treasury Internal Revenue Service	<h2 style="margin:0;">Request for Taxpayer Identification Number and Certification</h2>	Give Form to the requester. Do not send to the IRS.
---	---	---

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>Samantha A. Johnson</b>
	2 Business name/disregarded entity name, if different from above
	3 Check appropriate box for federal tax classification; check only <b>one</b> of the following seven boxes: <input checked="" type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <b>Note.</b> For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exemption payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) <b>1115 State Street</b>
	6 City, state, and ZIP code <b>Anytown, IN 46024</b>
	7 List account number(s) here (optional)

<b>Part I Taxpayer Identification Number (TIN)</b>																																																			
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.  <b>Note.</b> If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.	<table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <tr><td colspan="10">Social security number</td></tr> <tr> <td style="width:20px;">9</td><td style="width:20px;">9</td><td style="width:20px;">9</td><td style="width:20px;">-</td><td style="width:20px;">9</td><td style="width:20px;">9</td><td style="width:20px;">-</td><td style="width:20px;">9</td><td style="width:20px;">9</td><td style="width:20px;">9</td> </tr> <tr><td colspan="10">or</td></tr> <tr><td colspan="10">Employer identification number</td></tr> <tr> <td style="width:20px;"> </td><td style="width:20px;"> </td><td style="width:20px;"> </td><td style="width:20px;">-</td><td style="width:20px;"> </td><td style="width:20px;"> </td><td style="width:20px;"> </td><td style="width:20px;"> </td><td style="width:20px;"> </td><td style="width:20px;"> </td> </tr> </table>	Social security number										9	9	9	-	9	9	-	9	9	9	or										Employer identification number													-						
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Employer identification number																																																			
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<b>Part II Certification</b>	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
<b>Certification instructions.</b> You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.	

<b>Sign Here</b>	Signature of U.S. person ▶ _____	Date ▶ _____
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

#### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

# Appendix D Housing Allowance Resolution

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The following housing resolution is taken from *Church & Clergy Tax Guide 2016* on page 247.

The following resolution was duly adopted by the board of directors of First Church at a regularly scheduled meeting held on December 15, 2015, a quorum being present:

Whereas, ministers who own their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and

Whereas, Pastor John Smith is compensated by First Church exclusively for services as a minister of the gospel; and

Whereas, First Church does not provide Pastor John Smith with a parsonage; therefore, it is hereby

Resolved, that the total compensation paid to Pastor John Smith for calendar year 2016 shall be \$50,000, of which \$15,000 is hereby designated as a housing allowance, and it is further

Resolved, that the designation of \$15,000 as a housing allowance shall apply to calendar year 2016 and all future years unless otherwise provided by this board.

Hammar, Richard. 2016. *Church & Clergy Tax Guide 2016*. Carol Stream, IL: Christianity Today.

## Housing Expenses

Use the following housing expenses to calculate an accurate housing allowance:

- down payment on a home;
- payments (including prepayments) on a mortgage loan to purchase or improve your home (including both interest and principal);
- real estate taxes;
- property insurance;
- utilities (electricity, gas, water, trash pickup, local telephone charges, and such);
- furnishing and appliances (purchase and repair);
- structural repairs and remodeling;
- yard maintenance and improvements;
- maintenance items (household cleansers, light bulbs, pest control, and such); and
- homeowners' association dues.

Taken from *Church & Clergy Tax Guide 2016*, page 249.

## **Appendix E Parsonage Allowance Resolution**

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If the church provides the minister with a parsonage, the following resolution can be utilized to set aside a rental value of the parsonage which is provided to the minister as part of his/her compensation. This resolution is taken from *Church & Clergy Tax Guide 2016*, page 241.

The following resolution was duly adopted by the board of directors of First Church at a regularly scheduled meeting held on December 15, 2015, a quorum being present:

Whereas, section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income the rental value of a parsonage furnished to him as part of his compensation, and a church-designated parsonage allowance paid to him as part of his compensation, to the extent the allowance represents compensation for ministerial services; is used to pay parsonage-related expenses such as utilities, repairs, and furnishings; and does not exceed the fair rental value of the parsonage (furnished, plus utilities); and

Whereas, Pastor John Smith is compensated by First Church exclusively for services as a minister of the gospel; and

Whereas First Church provides Pastor Smith with rent-free use of a church-owned parsonage as compensation for services that he renders to the church in the exercise of his ministry; and

Whereas, as additional compensation to Pastor Smith for services that he renders to the church in the exercise of his ministry, First Church also desires to pay Pastor Smith an amount to cover expenses he incurs in maintaining the parsonage; therefore, it is hereby

Resolved, that the annual compensation paid to Pastor Smith for calendar year 2016 shall be \$50,000, of which \$5,000 is hereby designated as a parsonage allowance pursuant to section 107 of the Internal Revenue Code; and it is further

Resolved, that the designation of \$5,000 as a parsonage allowance shall apply to calendar year 2016 and all future years unless otherwise provided by this board; and it is further

Resolved, that as additional compensation to Pastor Smith for calendar year 2016 and for all future years unless otherwise provided by this board, Pastor Smith shall be permitted to live in the church-owned parsonage located at 123 Main Street, and that no rent or other fee shall be payable by Pastor Smith for such occupancy and use.



# Appendix F | IRS Example of Reporting Housing Allowance on Tax Returns

The *IRS Minister Audit Technique Guide* provides the following examples to help minister understand the reporting of the housing/parsonage allowance on their tax returns.

## **Example of a parsonage allowance:**

**Example:** A is an ordained minister. She receives an annual salary of \$36,000 and used of a parsonage which has a fair rental value of \$800 a month, including utilities. She has an accountable plan for other business expenses such as travel. A's gross income for arriving at taxable income for Federal income tax purposes is \$36,000, but for self-employment tax purposes it is \$45,600 (\$36,000 salary + \$9,600 fair rental value of parsonage).

## **Examples of a housing allowance:**

**Example 1:** C is an ordained minister and has been in his church's employ for the 20 years. His salary is \$40,000 and his designated housing allowance is \$15,000. C's mortgage was paid off last year. During the tax year he spent \$2,000 on utilities and \$3,000 on real estate taxes and insurance. The fair rental value of his home, as furnished, is \$750 a month.

The three amounts for comparison are:

- Actual housing costs of \$5,000 (\$2,000 utilities + \$3,000 taxes and insurance)
- Designated housing allowance of \$15,000
- Fair rental value of \$11,000 (\$9,000 fair rental value + \$2,000 utilities)

C may only exclude his actual expenses of \$5,000 for Federal income tax purposes. He may not exclude the fair rental value of his home even though he has paid for it in previous years.

**Example 2:** D is an ordained minister who received \$40,000 in salary plus a designated housing allowance of \$12,000. He spent \$12,000 on mortgage payments, \$2,400 on utilities, and \$2,000 on new furniture. The fair rental value of his home as furnished is \$16,000. D's exclusion is limited to \$12,000 even though his actual cost (\$16,400) and fair rental value and utilities (\$18,400) are more. He may not deduct his housing costs in excess of the designated allowance.

# Appendix G Completing Form W-2

**Example 1:** Minister Jones receives a salary of \$40,000 and a designated housing allowance of \$12,000. She has elected not to have any taxes withheld from her pay.

22222	Employee's social security number 310-00-1111	OMB No. 1545-0048			
B	Employer's identification number (EIN) 22-2222222	1	Wages, tips, other compensation 40000.00	2	Federal income tax withheld
C	Employer's name, address, and ZIP code First Church 4545 Lexington Avenue New Albany IN 47150	3	Social security wages 40000.00	4	Social security tax withheld
D	Contract number	5	Medicare wages and tips 40000.00	6	Medicare tax withheld
E	Employee's first name and initial JONES Last name JONES Suff. S	7	Social security tips	8	Allocated tips
F	Employer's first name and initial JONES Last name JONES Suff. S	9	Dependent care benefits	10	Dependent care benefits
G	Employer's address and ZIP code 1315 State Street New Albany IN 47150	11	Nonqualified plans	12A	None
H	Employer's EIN 22-2222222	13	SAVINGS INVESTMENT DEFERRED ANNUITY None	12B	None
I	Employee's address and ZIP code 1315 State Street New Albany IN 47150	14	Other	12C	None
J	Employee's SSN 1234567	15	Housing 0.00	12D	None
K	Employer's address and ZIP code 1315 State Street New Albany IN 47150	16	Local wages, tips, etc. 40000.00	17	Local income tax
L	Employer's EIN 22-2222222	18	Local wages, tips, etc. 40000.00	19	Local income tax
M	Employer's SSN 1234567	20	Local wages, tips, etc. 40000.00	21	Local income tax

Department of the Treasury - Internal Revenue Service

Form **W-2** Statement  
Copy 1 - For State, City, or Local Tax Department

**2015**

22222	Employee's social security number 310-00-1111	OMB No. 1545-0048			
B	Employer's identification number (EIN) 22-2222222	1	Wages, tips, other compensation 40000.00	2	Federal income tax withheld
C	Employer's name, address, and ZIP code First Church 4545 Lexington Avenue New Albany IN 47150	3	Social security wages 40000.00	4	Social security tax withheld
D	Contract number	5	Medicare wages and tips 40000.00	6	Medicare tax withheld
E	Employee's first name and initial JONES Last name JONES Suff. S	7	Social security tips	8	Allocated tips
F	Employer's first name and initial JONES Last name JONES Suff. S	9	Dependent care benefits	10	Dependent care benefits
G	Employer's address and ZIP code 1315 State Street New Albany IN 47150	11	Nonqualified plans	12A	None
H	Employer's EIN 22-2222222	13	SAVINGS INVESTMENT DEFERRED ANNUITY None	12B	None
I	Employee's address and ZIP code 1315 State Street New Albany IN 47150	14	Other	12C	None
J	Employee's SSN 1234567	15	Housing 0.00	12D	None
K	Employer's address and ZIP code 1315 State Street New Albany IN 47150	16	Local wages, tips, etc. 40000.00	17	Local income tax
L	Employer's EIN 22-2222222	18	Local wages, tips, etc. 40000.00	19	Local income tax
M	Employer's SSN 1234567	20	Local wages, tips, etc. 40000.00	21	Local income tax

Department of the Treasury - Internal Revenue Service

Form **W-2** Statement  
Copy 1 - For State, City, or Local Tax Department

**2015**

**Example 2:** Same information as Example 1, however, Minister Jones has elected to have Federal and state income taxes withheld.

22222	Employee's social security number 310-00-1111	OMB No. 1545-0048			
B	Employer's identification number (EIN) 22-2222222	1	Wages, tips, other compensation 40000.00	2	Federal income tax withheld 8000.00
C	Employer's name, address, and ZIP code First Church 4545 Lexington Avenue New Albany IN 47150	3	Social security wages 40000.00	4	Social security tax withheld
D	Contract number	5	Medicare wages and tips 40000.00	6	Medicare tax withheld
E	Employee's first name and initial JONES Last name JONES Suff. S	7	Social security tips	8	Allocated tips
F	Employer's first name and initial JONES Last name JONES Suff. S	9	Dependent care benefits	10	Dependent care benefits
G	Employer's address and ZIP code 1315 State Street New Albany IN 47150	11	Nonqualified plans	12A	None
H	Employer's EIN 22-2222222	13	SAVINGS INVESTMENT DEFERRED ANNUITY None	12B	None
I	Employee's address and ZIP code 1315 State Street New Albany IN 47150	14	Other	12C	None
J	Employee's SSN 1234567	15	Housing 12000.00	12D	None
K	Employer's address and ZIP code 1315 State Street New Albany IN 47150	16	Local wages, tips, etc. 40000.00	17	Local income tax
L	Employer's EIN 22-2222222	18	Local wages, tips, etc. 40000.00	19	Local income tax
M	Employer's SSN 1234567	20	Local wages, tips, etc. 40000.00	21	Local income tax

Department of the Treasury - Internal Revenue Service

Form **W-2** Statement  
Copy 1 - For State, City, or Local Tax Department

**2015**

22222	Employee's social security number 310-00-1111	OMB No. 1545-0048			
B	Employer's identification number (EIN) 22-2222222	1	Wages, tips, other compensation 40000.00	2	Federal income tax withheld
C	Employer's name, address, and ZIP code First Church 4545 Lexington Avenue New Albany IN 47150	3	Social security wages 40000.00	4	Social security tax withheld
D	Contract number	5	Medicare wages and tips 40000.00	6	Medicare tax withheld
E	Employee's first name and initial JONES Last name JONES Suff. S	7	Social security tips	8	Allocated tips
F	Employer's first name and initial JONES Last name JONES Suff. S	9	Dependent care benefits	10	Dependent care benefits
G	Employer's address and ZIP code 1315 State Street New Albany IN 47150	11	Nonqualified plans	12A	None
H	Employer's EIN 22-2222222	13	SAVINGS INVESTMENT DEFERRED ANNUITY None	12B	None
I	Employee's address and ZIP code 1315 State Street New Albany IN 47150	14	Other	12C	None
J	Employee's SSN 1234567	15	Housing 12000.00	12D	None
K	Employer's address and ZIP code 1315 State Street New Albany IN 47150	16	Local wages, tips, etc. 40000.00	17	Local income tax
L	Employer's EIN 22-2222222	18	Local wages, tips, etc. 40000.00	19	Local income tax
M	Employer's SSN 1234567	20	Local wages, tips, etc. 40000.00	21	Local income tax

Department of the Treasury - Internal Revenue Service

Form **W-2** Statement  
Copy 1 - For State, City, or Local Tax Department

**2015**

# Appendix H Completing Form 941

First Church has one ministerial employee and two non-ministerial employees. They are compensated as follows:

- Minister Jones receives \$40,000 in salary and \$12,000 in housing allowance. Minister Jones does not elect to have taxes withheld.
- Secretary Smith receives \$36,000 in salary.
- Maintenance Engineer Reyes receives \$25,000 in salary.
- The church pays monthly installments to the IRS. The first quarter Form 941 would be completed as follows:

Form **941 for 2016: Employer's QUARTERLY Federal Tax Return**  
 Department of the Treasury — Internal Revenue Service  
 950114 OMB No. 1545-0029

Employer identification number (EIN) **2 2 - 2 2 2 2 2 2**

Name (not your trade name) **First Church**

Trade name (if any)

Address **4545 Lexington Street** Suite or room number  
**New Albany** **IN** **47150**  
 City State ZIP code  
 Foreign country name Foreign province/country Foreign postal code

Report for this Quarter of 2016 (Check one.)  
 1: January, February, March  
 2: April, May, June  
 3: July, August, September  
 4: October, November, December  
 Instructions and prior year forms are available at [www.irs.gov/form941](http://www.irs.gov/form941).

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1: Answer these questions for this quarter.**

1 Number of employees who received wages, tips, or other compensation for the pay period including: *Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)* . . . . . **3**

2 Wages, tips, and other compensation . . . . . **25250 00**

3 Federal income tax withheld from wages, tips, and other compensation . . . . . **1975 00**

4 If no wages, tips, and other compensation are subject to social security or Medicare tax  Check and go to line 6.

5a Taxable social security wages . . . . .	Column 1	15250 00	x .124 =	Column 2	1891 00
5b Taxable social security tips . . . . .			x .124 =		
5c Taxable Medicare wages & tips . . . . .		15250 00	x .029 =		442 25
5d Taxable wages & tips subject to Additional Medicare Tax withholding . . . . .			x .009 =		
5e Add Column 2 from lines 5a, 5b, 5c, and 5d . . . . .					2333 25
5f Section 3121(g) Notice and Demand—Tax due on unreported tips (see instructions) . . . . .					
6 Total taxes before adjustments. Add lines 3, 5e, and 5f . . . . .					4308 25
7 Current quarter's adjustment for fractions of cents . . . . .					
8 Current quarter's adjustment for sick pay . . . . .					
9 Current quarter's adjustments for tips and group-term life insurance . . . . .					
10 Total taxes after adjustments. Combine lines 6 through 9 . . . . .					
11 Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter . . . . .					4308 25
12 Balance due. If line 10 is more than line 11, enter the difference and see instructions . . . . .					0 0
13 Overpayment. If line 11 is more than line 10, enter the difference <input type="checkbox"/> Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund.					

▶ You MUST complete both pages of Form 941 and SIGN it.  
 For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. Cat. No. 17001Z Form 941 (Rev. 1-2016)

# Appendix I Completing Form 944

If the church has payroll withholdings of \$1,000 or less annually, they file Form 944 instead of Form 941. Form 944 is filed only once during each calendar year and must be filed by January 31st.

**Example:** First Church only has one employee, the minister. Minister Jones receives \$36,000 in salary and \$12,000 in housing allowance. Minister Jones has requested that \$800 be withheld from her salary as Federal income tax. The Form 944 would be completed as:

Form **944 for 2015: Employer's ANNUAL Federal Tax Return**  
Department of the Treasury — Internal Revenue Service

OMB No. 1545-2007

Employer identification number (EIN) <input type="text" value="2"/> <input type="text" value="2"/> - <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="2"/>	
Name (not your trade name) <input type="text" value="First Church"/>	
Trade name (if any) <input type="text"/>	
Address <input type="text" value="4545 Lexington Street"/> Street	
<input type="text" value="New Albany"/> Number	<input type="text" value="IN"/> State
<input type="text" value="City"/> City	<input type="text" value="47150"/> ZIP code
<input type="text"/> Foreign province/county	<input type="text"/> Foreign postal code

**Who Must File Form 944**  
You must file annual Form 944 instead of filing quarterly Forms 941 only if the IRS notified you in writing.  
Instructions and prior-year forms are available at [www.irs.gov/form944](http://www.irs.gov/form944).

Read the separate instructions before you complete Form 944. Type or print within the boxes.

**Part 1:** Answer these questions for this year. Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico can skip lines 1 and 2.

1 Wages, tips, and other compensation . . . . .	1	36000	.00	
2 Federal income tax withheld from wages, tips, and other compensation . . . . .	2		800	.00
3 If no wages, tips, and other compensation are subject to social security or Medicare tax . . . . .	<input checked="" type="checkbox"/>	3	X	Check and go to line 5.
4 Taxable social security and Medicare wages and tips:				
4a Taxable social security wages	<input type="text"/>	x .124 =	<input type="text"/>	.00
4b Taxable social security tips	<input type="text"/>	x .124 =	<input type="text"/>	.00
4c Taxable Medicare wages & tips	<input type="text"/>	x .029 =	<input type="text"/>	.00
4d Taxable wages & tips subject to Additional Medicare Tax withholding . . . . .	<input type="text"/>	x .009 =	<input type="text"/>	.00
4e Add Column 2 from lines 4a, 4b, 4c, and 4d . . . . .	4e		<input type="text"/>	.00
5 Total taxes before adjustments. Add lines 2 and 4e . . . . .	5		800	.00
6 Current year's adjustments (see instructions) . . . . .	6		<input type="text"/>	.00
7 Total taxes after adjustments. Combine lines 5 and 6 . . . . .	7		<input type="text"/>	.00
8 Total deposits for this year, including overpayment applied from a prior year and overpayments applied from Form 944-X, 944-X (PR), 944-X (SP), 941-X, or 941-X (PR) . . . . .	8		<input type="text"/>	.00
9a Reserved				
9b Reserved				
10 Reserved				
11 Balance due. If line 7 is more than line 8, enter the difference and see instructions . . . . .	11		800	.00
12 Overpayment. If line 8 is more than line 7, enter the difference ▶ You MUST complete both pages of Form 944 and SIGN it.		<input type="text"/>	Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund.	<input type="text"/>

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher. CAL No. 39318N Form 944 (2015)

# Appendix J Sample Job Descriptions

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## Associate Pastor of Learning and Serving

### Central Park Church

**Purpose:** The role of the pastor of learning and serving will be to implement the vision and mission of the church through oversight, leadership, and support in the areas of education and outreach ministries (inside and outside the church), and providing focused pastoral care for directors, team members, and leaders in these areas.

**Position Requirements:** BA in Education; seminary degree optional

**Experience:** Teaching, multi-staff church, broad range of exp. with all ages

**Gifts:** Leadership, administration, shepherding

**Skills:** Leadership, teaching, pastoral care

**Ordination:** Currently ordained or in process

**Accountability:** senior pastor, board of staff relations (BSR), church council, congregation  
Annual evaluation with compensation determined by BSR.

**Relationships:** Ministry staff. Defined covenantal relationship with directors, leaders, ministry teams and pastoral advisory group

**Responsibilities:** Develop, equip, and evaluate staff and leaders in the areas of education and outreach

Provide vision and leadership in realizing the mission of the church.

Research resources and opportunities in these areas.

Provide and equip for pastoral care with staff and ministry leaders.

Work with staff and leaders to do goal setting, implementation, and evaluation of ministries.

Work with leaders to develop ministries in this area.

Provide input to and monitor budgets for assigned area.

Provide and equip for pastoral care for the congregation as needed.

Participate in worship leadership.

Other duties as assigned.

# **Associate Pastor of Student Ministries Central Park Church**

## **Purpose Statement:**

To coordinate the junior and senior high school ministries of the church.

## **Responsibilities:**

1. Coordinate and give oversight to the youth ministries of the church.
2. Recruit, train and involve adult sponsors who can assist in the ministry and mentor teenagers.
3. Serve as a role model for teenagers in the church and community.
4. Facilitate youth programming (weekly meetings, small group Bible studies, outreaches, socials, recreation, regional youth events, etc.)
5. Provide students with training and opportunities to serve Christ in and through the local church and to share their faith with others.
6. Prepare and lead meetings for the youth staff.
7. Serve as an advisory member of the church board.
8. Assist the senior pastor as needed in other areas of congregational life, utilizing one's giftedness for the glory of God and the benefit of the church body.

## **Working Relationship:**

The associate pastor of student ministries is directly accountable to the senior pastor, who in consultation with the church board, will give guidance and counsel. The student pastor will prepare regular written reports to the senior pastor and an annual report for the church.

# Outreach Internship Central Church

The main purpose is to provide ministry support in the area of Outreach and Missions for six months. Other purposes include opportunities to experience ministry leadership in a multi-staff church and to develop new ministries in the area of Outreach. This position is accountable to the pastor of learning and serving.

## **Overall responsibilities:**

- Serve as a member of church staff.
- Participate in worship.
- Visit local ministries supported by the church (pictures, video, and etc.).
- Meet regularly with pastor of learning and serving.
- Work 25 or more hours per week as an average (some weeks will be more, some less).
- Regular reports to leadership teams.
- Keep record of mileage and expenses for reimbursement.

## **Weekly Responsibilities:**

- Meet with staff twice a month; staff lunch every week.
- Check displays in lobby and update or change as needed.
- Check lobby donation bins to insure that they are being emptied in a timely fashion.
- Other projects as assigned.

## **Monthly Responsibilities:**

- Meet with Outreach Team
- Create report of monthly activities and give to pastor of learning and serving for reporting to church council

## **Possible Projects:**

- Take photos for displays.
- Create video clips for promotion.
- Produce Christmas brochure for congregation (work with administrative assistant).
- Organize and maintain photo and video library.

## **Orientation:**

- Meet with pastor of learning and serving.
- Meet with administrative assistant for information on files.
- Meet with receptionist for tour of the office, location of supplies, and equipment.
- Meet with IT coordinator for information on using computer, email, and etc.
- Introduction in all worship services (Date TBD).

# Appendix K Guidelines for Associate Pastor Interviews

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- Find a neutral place for the interview, away from the senior pastor's office. For example a church library, youth lounge, or someone's home.
- Interview candidate individually and then invite the spouse to join later for additional questions.
- Clarify the purpose of the interview. For example: this is a first interview to assess whether the candidate might be a good fit for this ministry. Or we have narrowed the candidates to two and will be interviewing both before a final decision is made.
- Use open-ended what, when, where, how, why, and who questions: avoid asking questions that can be answered with yes or no or just a few words.
- Allow the candidate to do most of the talking.
- Avoid leading questions that contain presumed answers.
- Listen actively and avoid argumentative questions. Maintain eye contact.
- Always give the candidate a chance to respond without interruption.
- Be aware of the candidate's non-verbal communication (eye contact, gestures, posture, and etc.).
- Do not express shock or criticism at what the candidate or spouse shares.
- Ask follow-up questions when clarification is needed.

## Sample Interview Questions for Associate Pastor

- When did you come to faith in Christ?
- How did you sense God's call to ministry in your life?
- What kind of ministry experiences have you had?
- How has your education prepared you for ministry?
- Why are you interested in this ministry position?
- What are one or two goals you might set during your first six months in this position?
- What are your spiritual gifts? In what ways have you been able to use them in the church and outside the church?
- What do you consider to be your strengths? Weaknesses?
- What is your conflict management style? Tell about a time when you had a disagreement with a pastor or church leader. How was the problem solved? What was your role in resolving the conflict? How did you feel through the process? What lessons did you learn and how are you putting them into practice?
- What aspects of ministry do you enjoy the most and why?
- What aspects of ministry do you least enjoy and why?
- Describe your relationship with a former senior pastor or supervisor? What are the essential things for maintaining a good relationship?
- Give a recent example of how you shared your faith?
- Describe a time when you became discouraged in ministry? What insights did you gain from the experience?
- How do you take care of yourself-spiritually, physically, emotionally, intellectually?
- What do you and your spouse do to maintain a strong marriage?
- In what ways do you maintain boundaries between your ministry and your family time?



---

**Sample Interview Questions for Associate Pastor's Spouse**

- When did you come to faith in Christ?
- How have you been able to affirm and support your spouse's call to ministry?
- What are your spiritual gifts? In what ways have you been able to use them in the church and community?
- What do you consider to be your spouse's strengths? Weaknesses?
- What do you and your spouse do to maintain a strong marriage?
- How do you take care of yourself-spiritually, physically, emotionally?

# Appendix L Sabbatical Leave Policy

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## Background

The term "sabbatical" shall mean a planned and regular leave of absence for a full-time, licensed and/or ordained staff pastor or director. The word "sabbatical" literally means "every seventh year," and is related to the Old Testament notion of sabbath day (for rest and worship) and sabbatical year (for renewal of the cultivated fields). It has come to mean, for persons in professional ministry, a leave of absence for purposes of renewal, learning, and growth.

Ideally, the sabbatical leave will provide an environment conducive to reflection, repositioning of perspective, restoration and renewal of inner strengths, along with intellectual and spiritual stimulation. It is assumed that the pastors already have acceptable academic credentials, but should further education for academic degrees be desired and/or needed by a pastor, an appeal may be presented to the Board of Elders.

## Qualifications

A sabbatical of up to three (3) months (which may be added to vacation time) will be available to full-time pastors during the seventh year of service. Subsequent eligibility is established in the fourteenth, twenty-first, twenty-eighth year, and so on.

The sabbatical is not automatic and is subject to recommendation of the lead pastor and the approval of the board of elders. It is not necessarily a reward for past service. Rather, it is an investment in a pastor's present and continuing intellectual, physical, emotional, and spiritual health. Of course, such health will directly affect the vitality of the congregation.

## Request for Sabbatical Leave

A sabbatical proposal may be initiated by a pastor at least six months in advance of the stated leave time, and submitted to the lead pastor/board of elders for refinement for final approval. Final approval rests with the board of elders. In some cases, the board of elders may suggest that a pastor apply for a sabbatical. The board of elders takes the position of encouraging and supporting all pastors to participate in this program as they become eligible.

A pastor proposing a leave is expected to state in a written proposal to the lead pastor (staff pastors) or board of elders (lead pastor) the following: (1) acceptable rationale for the sabbatical (need/justification, benefits, outcomes), (2) specific plans and arrangements, (3) a timeline, (4) related costs, (5) a plan for covering ministry areas in the pastor's absence, (6) a narrative description of the overall sabbatical design (7) along with a statement regarding intentions for future ministry. This proposal should be formulated in consultation with the lead pastor (for staff pastors) and other pastoral staff and the board of elders. Such consultation will aid coordination and seek to prevent more than one pastor being gone at the same time.

Costs for related sabbatical expenses will be reviewed by the board of elders.

---

## **During the Sabbatical Leave**

While on sabbatical, a pastor will report periodically to the board of elders (lead pastor) or to the lead pastor (staff pastors), and such information will be shared, as appropriate, with the congregation.

During the sabbatical, full salary and benefits will be kept in force, except that satisfactory adjustments may be made if the experience provides for significant compensation to the pastor. It is not intended that a pastor receive double compensation. If special funding is necessary to maintain adequate leadership to the congregation during the sabbatical, such arrangements should be made in advance with the board of elders.

Under some conditions, a sabbatical may be used for one's physical rest and recuperation, but only after medical evaluation and recommendation by a physician.

Pastoral staff and the board of elders will seek to be flexible in meeting the needs of the pastor and family on sabbatical, as well as in arranging for coverage of his/her responsibilities in the congregation. As much as possible, pastoral assignments will be handled by other members of the congregation, other pastors on staff, or interim pastors.

## **Upon Return From Sabbatical Leave**

At the conclusion of the sabbatical, the pastor will present a written report to the board of elders and engage in an extended discussion of the experience with the board of elders and the pastoral staff.

## **Sabbatical Leave Involvements**

In addition to adequate time for rest and renewal, the following list suggests a few appropriate involvements. The list is provided mainly to promote understanding of the wide opportunities for expanded learning and ministry that may be a component of the sabbatical program.

- Teaching in a seminary, college, or ministerial training center.
- Serving in another culture as an interim missionary, teacher, or pastor.
- Working with disadvantaged persons in a social service agency, community center, church, or counseling center.
- Ministering to other leaders through seminars, conferences, support systems, and the like.
- Attending seminars, workshops, conferences, and the like for personal and professional enrichment.
- Serving temporarily on the staff of a state or national church agency.
- Engaging in a period of intensive study-reflection-prayer at a seminary, house of prayer, or retreat center.
- Pursuing a significant writing project.
- Working on a major research project related to ministry and church life.
- Participating in an extensive travel/study experience.
- Pursuing an academic degree or educational experience.

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

# Appendix M Sabbatical Proposal Writing Guidelines

---

Sabbatical Proposal \_\_\_\_\_

Pastor Name \_\_\_\_\_

Date \_\_\_\_\_

Date Approved \_\_\_\_\_

**Rationale**—In narrative format, give background for the sabbatical proposal and the present reason for requesting the sabbatical.

**Plan Overview**—Describe what you intend to do. How will you spend the time away? What do you hope to achieve? Who will be involved with you?

**Timeline**—Outline the timeframe.

**Related Costs**—Full salary, benefits, and any budgeted staff development funds already in the budget. No additional funds.

**Plan for Covering Ministry Areas**—Describe how your ministry responsibilities will be covered and by what persons or groups.

**Description**—As much as possible, provide the details of your sabbatical leave.

**Future Ministry Plans**—As much as possible, describe your intentions as you follow God's calling to ministry on your life.

**Note:** A sabbatical proposal usually consists of 2-3 pages. The proposal gives clarity to congregational leaders and provides leaders and the pastor an evaluative tool once the sabbatical is completed. Successful sabbatical experiences, for both congregational leaders and pastors, open the opportunity for additional sabbaticals to be granted.

# Appendix N Associate Pastor Review and Evaluation

---

The following sample is a simple, conversation between staff and senior/lead pastor or board member held on a regular basis such as quarterly or twice a year.

## Ministry Performance & Review Form

Name: \_\_\_\_\_

Date: \_\_\_\_\_

1. Describe your main ministry responsibilities: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. What excites and frustrates you most about your work right now? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
3. Three (or six) months ago you set several goals. Talk about your progress with these goals. What am I and/or others doing to help or hinder your progress? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. What are your goals for the next three (or six) months? (Be specific.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. What do you need from me and/or others to help you accomplish your goals?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Appendix O

---

## Sample Letter of Intent—Bi-Vocational Pastor

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(On church letterhead, if available)

Date

Dear \_\_\_\_\_

We appreciated meeting with you and seeing your desire to be a part of our church family here at \_\_\_\_\_. As part our last meeting, we agreed upon what your compensation package would look like as our pastor. We realize that you have to work a full time job as well as ministering to us and we are happy you have been called by God to do so. That information is attached allowing for your signature which should be returned prior to you starting your ministry with this congregation

**Signed by all members of the search committee or church council**

---

## **Bi-Vocational Pastor Compensation Package**

---

The salary package is as follows:

\$\_\_\_\_\_ salary for \_\_\_\_\_ hours work a week

\$\_\_\_\_\_ of your salary will be designated as housing allowance, agreed upon by mutual consent

We will provide \_\_\_weeks' paid vacation. You will schedule speakers in your absence.

You have agreed to plan and speak Sunday AM service, Sunday PM (if applicable) and Wednesday PM Bible Study.

You have also agreed to be at church council meetings, which will be scheduled around your work schedule.

We will support you in prayer and in ministry leadership during your time of ministry with us.

\_\_\_\_\_  
Bi-Vocational Pastor

\_\_\_\_\_  
Chair Church Council

\_\_\_\_\_  
(Congregation)

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## Help for Congregational Boards in the financial decisions that affect pastoral health, confidence, and longevity.

A direct relationship exists between healthy pastors, healthy churches, and healthy communities. Lilly Endowment, Inc.'s religion grant making is based on a central conviction that "strong, vital congregations play powerful roles in the lives of those who participate in them as well as to the larger civic communities of which they are a part" ... and "the quality of pastoral leadership is critical to the health and vitality of congregations" ([www.lillyendowment.org/religion.html](http://www.lillyendowment.org/religion.html)).

Church of God Ministries is committed to this conviction.

### This Manual offers guidance:

- How to understand the complexities of pastor compensation.
- How to determine the difference between the cost of ministry and of the minister.
- How to comply with IRS regulations.
- How to keep pastors healthy.
- How to maintain equity among pastoral staff.

This Manual offers incredible assistance to church boards in coming alongside their pastors with adequate compensation planning.

---

**Joseph L. Cookston** serves the church in local, national, and international roles that focus on empowering the next generation of leaders. He served in various pastoral roles in congregations in Indiana, Arizona, and Ohio; in national roles with the Board of Christian Education and Vision 2 Grow; in coaching roles with domestic and international ordination candidates and emerging leaders. He teaches as adjunct professor in graduate ministerial education. He received his BA from Anderson University; his MDiv from the School of Theology, Anderson University; and his Ph.D. from Trinity International University in educational studies.

Congregational Board/Pastoral Resource



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## **Learning from Disaster**

Ray Houser, Pastor, First Church of God, Kokomo, Indiana

It was going to be a great Easter. Instead of our usual schedule of three morning services, our church had rented the auditorium at the local college so we could all be together in one big service. We had access to the auditorium that Saturday so we could set up and decorate to make the theatre-type auditorium feel more like a place for worship. Plenty of people had volunteered to get everything ready. I went to the auditorium anyway, to deliver my PowerPoint presentation to the audio-visual team and to satisfy my curiosity. When I arrived, I went up to the stage to see what was going on and to encourage those who were working hard. As we were standing there, the auditorium manager said he had to get something from underneath the stage. The front one-fourth of the stage was on a lift so that it could serve as an orchestra pit. He lowered the stage as all of us stood there, did his task, and pushed the button to raise the stage. I knew what he was doing, but for some reason I lost my balance and fell backward off the stage onto my head. It happened so fast that I couldn't do anything to break my fall. The stage is about four feet high and I am nearly six and a half feet tall, so my head had a long way to fall.

As I lay on the floor, it felt like my head had exploded. I touched the back of my head and there was no blood, so when the folks there asked if I was okay, I just said, "Give me a few minutes." Then our music minister knelt down beside me and said, "Are you sure you're all right?" I started to say, "I think so," but when I raised my head off the floor to look at him, the whole room, started whirling around at a high rate of speed. He said, "You're bleeding," and shouted, "Call 911!" While the back of my head, the point of impact, was dry, blood was coming out of my nose. Just then I noticed a big knot forming where my head had struck the floor.

I remained conscious as in just a few moments an ambulance came. As the EMTs put me on a gurney to take me to a nearby hospital, I found that I couldn't move my right side. Now my head was throbbing. Each heartbeat was new pain. They gave me one, two, three doses of morphine before I felt any relief. After a CAT scan, the decision was made to take me to the brain injury facility at Methodist Hospital in Indianapolis. The plans were to fly me there by helicopter, but bad weather grounded it. So I got a fast, loud fifty-mile ambulance ride.

For the next thirty-six hours, I was in a neuro-intensive care unit. They kept an operating room open for me in case I needed surgery and did CAT scans every few hours to see how much my brain was bleeding. To my great relief, the paralysis slowly left me. All I did was sleep and hurt and wish the room would quit spinning. Finally, it was determined that surgery would not be necessary and I was moved to a head injury ward. There, I found out that I had broken my skull and that my brain had bled in three places. I saw a parade of doctors and therapists. Some told me I would be fine in "a while," others treated me like I was a permanent invalid. After a week there and three weeks in an acute rehabilitation ward back home in Kokomo, I was finally released.

When I got home, I was still experiencing dizziness; the room had quit spinning, but it still moved around in some alarming ways. I couldn't read because I could concentrate for no more than ten or fifteen minutes. When I tried to write a note for the church newsletter, I found my efforts sounded like, See Spot run. Run Spot run. I lived in a blanket of fatigue. I slept for fourteen to eighteen hours a day. The thing that wore me out the quickest was being with people. That is not good for a pastor.

My first office appointment with my neurologist came after I had been home about a week. As she was examining me, I asked her again how long it would be before I could go back to work. Once again I heard, "In a while." I asked her what that meant. She said she couldn't know for sure. I explained to her that I needed to tell my board of elders what to expect so they could plan. She said, "You had better tell them it will be six months." I was dumbfounded. I thought she was going to say it would be four to six weeks. She went on to assure me that I would be all right. "It will just take time. In six months you should have back 90 percent of what you will get back; it will take two years to get back the other 10 percent." Her assurances made me feel better. Then she finished my examination by asking me to walk a straight line across the small examining rooms. I did the best I could, but I'm afraid I staggered. When she had me stand up with my heels together and close my eyes, I didn't fall, but I swayed like I was on the deck of a small ship. Her next words to me were, "Have you applied for disability benefits yet?" I said, "You just said I am going to be fine." To which she replied, "Yes, but you need to apply, just in case. It takes a long time to get it. Also, I am going to send you to get some memory, intelligence, and psychological tests". I went home confused. I thought to myself, "Am I going to be okay, or am I going to be disabled?"

A few days later, a document came from the Social Security Administration. It was the one that comes every year near my birthday and tells what retirement benefits I can expect. I noticed that the document also states disability benefits. The number was frightening. If my condition didn't improve, the monthly disability payments I could expect from Social Security, should I qualify, would be about one-third of my salary. I realized that it was the only disability insurance I had. It would cover the payments on my house and cars. What would my wife and I do if we wanted to eat, dress, have water and power, buy gasoline, and be insured?

The good news for us is that soon I began to improve. Encouragement came with the results of the memory and psychological test, which said I was doing all right, and the intelligence test, which came back in July, showed a higher score than I expected. In August, the dizziness finally left me. Time and a rather unusual physical therapy called vestibular therapy stopped the room from moving. My headaches began to be not quite so severe, and I began to sleep only ten to twelve hours a day. Finally, on September 18, I was able to return to the pulpit in time to help the church celebrate its seventy-fifth anniversary. I began preaching every other Sunday through the rest of September and October. When November began, I started preaching every week and working as close to forty hours a week as I could stand. Each month I improved a little. In May, fourteen months after my fall, the fatigue finally lifted, and by June I was truly back in the saddle.

I was very fortunate in several regards. First, the Lord saw fit to give me a full recovery. About all the doctors ever did for me was to give me pain pills and closely monitor my condition. It was the Lord who healed me. I am grateful to him for giving me the gift of recovery.

Second, the church I serve was very supportive. They decided to pay me all salary and benefits throughout my recovery, and members of the church also brought meals to my wife and I for several months.

Third, I work with a great pastoral staff. The board of elders chose to name our associate pastor of pastoral care and small groups, Jerry Ausbrook, interim pastor. He did a fine job of filling the pulpit. The rest of the staff—my wife, who is our children's pastor, and our two part-time pastors, Grant Alford (music) and Brad Johnson (youth)—worked hard along with the board to fill in the gaps.

Fourth, two months before my accident, we brought Val Cuthbert on staff as business administrator. She picked up many of the ends that might have been left loose in my absence.

So the church I served functioned well while I recovered, and I received many blessings from it. But what if I had been serving a church that was unable, or perhaps unwilling, to be so generous? Not every church has a staff like mine or, for that matter, the income to be able to support a pastor in a long recuperation. As generous and supportive as the Kokomo church was, it would not have been able to continue to take care of me if I had been permanently disabled.

I had had my chances to prepare for this kind of an emergency. I did have medical insurance, which took care of the bulk of my doctor, hospital, and pharmacy bills, but ironically, at the time of my accident I was considering changing to a little better coverage and adding a policy that would have paid me money while I was laid up. Those plans could have helped, because although the church paid me during my convalescence, there were some extra bills and the deductibles and copays, all of which came out of my pocket and amounted to several thousand dollars.

The best thing would have been some kind of disability insurance. I had been offered disability riders on insurance policies before, but I never bought one. I always thought nothing could happen to a pastor to disable him, and besides nothing like that could happen to me because I was sure I was indestructible. Now that I think about it, I realize just how stupid that line of thinking was. I have always driven a lot of miles, and a car wreck is always a possibility. And the crazy things I did when I worked with youth were sometimes more dangerous than I would admit. It's ironic that when my accident happened, I was just standing on a stage, something pastors do all the time. The possibility of having a devastating fall like mine is certainly slim, but it just takes once to change a life. I am fortunate. My life is pretty much back to normal, but I felt the hot breath of permanent disability on the back of my neck.

As is the unfortunate habit of many people, I am now closing the back door after the horse got out. The church now has workman's compensation. Another irony is that I had brought up workman's compensation at the board meeting just prior to my accident. Several years before, the board had looked into workman's comp, but it was determined at that time that we didn't have to have it. So, to keep expenses down, we didn't get it. But in the last few years, our staff has grown a lot and we thought we had

better look into workman's comp again. Well, it turns out we needed it. Now we have it, but too late for my accident. One word of caution: just because your church has liability insurance doesn't mean that you're covered for an accident that a pastor or other employee might have. Our church has always had liability insurance, but it never covered employees.

I have also been asking about disability insurance. I met with Jeff Jenness, executive secretary and treasurer of the Board of Pensions of the Church of God, to ask if they had ever thought about pastoral disability coverage of some kind. To my surprise, I found that such a policy is offered. Costs range from \$6.75 per month to \$24.75, depending on the age of the pastor. That doesn't seem terribly expensive, but it pays only \$500 per month. That's not sufficient, but it is better than nothing. It covers total disability from illness as well as an accident. Mr. Jenness agreed with me that the benefit is too low and said that he is trying to secure a better policy for Church of God ministers. I hope we will have some news on that soon.

I am going to get some coverage, and I suggest that all pastors do. Disability can happen in a moment and last a lifetime. I know that the way the Church of God is set up, we can't require churches to do this for their pastors, but I wish we could. How would a church feel if their pastor became poverty-stricken due to a disability and the church was powerless to give the pastor long-term help? I would like my little story to be a cautionary tale to every pastor and every church.

Here's three things you should do:

1. Make sure your church has workman's compensation coverage.
2. Ask your insurance agent about disability insurance, and ask the Board of Pensions to send you the latest information about the disability coverage they offer.
3. Put this kind of insurance in the church budget and make it a matter of course to pay for it, just like the church pays its electric bill.

We know God takes care of us and this may be one of his ways of doing just that. God assigns the church to take care of its pastors. This is an area that is often overlooked, but it doesn't have to be that way. Your church can help secure the earthly future of the people who help you feel secure about your eternal future. Don't put it off.



## Employment Agreement

Note: This is not to be considered a contract in the usual sense. It is simply a written statement of ministerial compensation as agreed to by church leaders and ministers.

The \_\_\_\_\_ (Church) and Pastor \_\_\_\_\_ (Name) have discussed the following compensation package and have reached understanding and agreement. This agreement is effective from \_\_\_\_\_, 20 \_\_\_\_\_ to \_\_\_\_\_, 20\_\_\_\_\_.

### Compensation:

Compensation for this period will total \$ \_\_\_\_\_. Of the compensation, \$ \_\_\_\_\_ is to be considered Housing Allowance or Housing Maintenance Allowances. (The Governing Board will adopt the Housing Allowance resolution annually.) The compensation will be paid (how often?) \_\_\_\_\_.

### Pension Contribution:

The church will pay \_\_\_\_\_ % of total salary.

### Health Insurance:

- The coverage is provided by \_\_\_\_\_ (insurance company) at an estimated cost of \$ \_\_\_\_\_. The premium will be paid by the church to Pastor \_\_\_\_\_ / \_\_\_\_\_ (insurance company). If the cost rises during the church, will the church pay the increase? \_\_\_\_\_ (yes/no)
- Health Insurance will be the responsibility of the Pastor.

### Social Security / Self-Employment Tax:

This cost is to be paid by the minister. The church, however, chooses to assist the minister with this obligation by contributing to him/her the following: \$\_\_\_\_\_.

### Vacation:

The schedule provides \_\_\_\_\_ weeks, which may be taken at the end of the first year. By agreement, \_\_\_\_\_ (number) \_\_\_\_\_ (days/weeks) may be taken after \_\_\_\_\_ months have passed. The formula for determining vacation time is below.

- One-half value placed on prior years of ministerial experience. (Rounded to the nearest full year).
- Prior year's vacation value is earned only on regular full-time ministry service.

- Full value placed on years of service with current church
- Individual must be actively employed a minimum of six (6) months at \_\_\_\_\_ (church) to qualify for paid vacation in advance of the normal vacation schedule:
- Value Experience Schedule:
  - Value experience from 1 to less than 6 years: 2 weeks vacation
  - Value experience from 6 to less than 13 years: 3 weeks vacation
  - Value experience from 13 to less than 20 years: 4 weeks vacation
  - Value experience over 20 years: 5 weeks vacation
  - Not to exceed two (2) consecutive weeks out of pulpit
  - Pulpit expense to be financed by the church unless arrangements are made.
  - Vacations are non-accumulative from one calendar year to another and pay in lieu of vacation is not permitted.
  - Number of credited years of service entering 20 \_\_\_\_\_ is \_\_\_\_\_.

Workman's Compensation Insurance:

This coverage \_\_\_\_\_ is provided.

Emergency Leave:

Emergency leave is defined as any serious illness or death of a Senior Pastor/Pastor or their spouse's immediate family member. The Governing of Elders shall determine what other situations constitutes an emergency. Normally, this will not exceed \_\_\_ Sunday out of the pulpit or service. Pulpit supply expense financed by the church for \_\_\_ week(s). Normal salary will be paid.

Ministry Leave:

Pastor is free to be away for \_\_\_ weeks for leadership roles in revivals, workshops, preaching, missions, conference leadership, camps, etc. (Does not include adult/youth activities associated with the church).

- The governing board shall review and approve other situations on an individual basis.
- Not to exceed one (1) Sunday out of pulpit or service.
- If more than one (1) week is negotiated for this area of ministry, only the church finances one-week pulpit expense unless otherwise negotiated.
- Normal salary will be paid \_\_\_\_\_ (yes/no). If no, explain:

Convention Leave:

Pastor is encouraged to attend church-related conventions (Church of God Convention, General Assembly meetings, area camp meetings, etc.)

- + Not to exceed one (1) Sunday out of pulpit
- + Pulpit expense to be financed by the church

### Education Leave:

Pastor is free to be away for \_\_\_\_ weeks for participatory roles in revivals, workshops, preaching, missions, conferences, and other educational opportunities. (Does not include adult/youth activities associated with the church).

- The governing board shall review and approve other situations on an individual basis.
- Not to exceed one (1) Sunday out of pulpit or service.

The church finances • If more than one (1) week is negotiated for this area of ministry only one-week pulpit expense unless otherwise negotiated.

- Normal salary will be paid \_\_\_\_\_ (yes/no). If no, explain:

### Chaperone Leave:

This job-related activity is anticipated and appreciated by the church. The governing board will approve this leave as need arises.

### Sick Leave:

The sick leave agreement concerns those illnesses and injuries which cause disability extending beyond \_\_\_\_ days. Salary will continue at full rate for \_\_\_\_ days. For the next \_\_\_\_ days it will continue at \_\_\_\_ % of the total.

The church provides long term disability insurance \_\_\_\_ (yes/no).

Benefits are payable after \_\_\_\_ days of disability.

The benefits are to be paid to \_\_\_\_\_ (minister/church)

In the event of permanent disability or death of the minister, the parsonage is to be vacated with in \_\_\_\_ (number) of \_\_\_\_\_ (days/weeks/months).

### Educational Materials:

The minister is free to invest \$\_\_\_\_\_ in various magazines, books, e-subscriptions, software, supplies, etc. These items are to be the property of the minister.

### Life Insurance:

- The church will pay \$\_\_\_\_\_ to \_\_\_\_\_ (company) per \_\_\_\_\_ (month/year) to provide coverage on the minister's life. The beneficiary of this policy will be named by the minister.
- The church will pay \$\_\_\_\_\_ to \_\_\_\_\_ (company) per \_\_\_\_\_ (month/year) to provide "key man" coverage on the minister's life. The beneficiary of this policy will be the church.

### Auto Expense Allowance:

See worksheet

### Travel Advance:

See worksheet

### Organization Participation:

See worksheet

Other:

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Acknowledged: \_\_\_\_\_ Date \_\_\_\_\_

Acknowledged: \_\_\_\_\_ Date \_\_\_\_\_

Acknowledged: \_\_\_\_\_ Date \_\_\_\_\_

## **PASTOR AND FAMILY ASSIMILATION**

**by Rebecca F. New-Edson**

### **Caring for the New Pastor's Family**

The new pastor's family may truly feel as Moses did when he said, "I am a stranger in a strange land." No matter how convinced they were about God's will in the move, some doubt and uncertainty about the rightness of their decision is predictable. This is particularly true in the first few weeks after the move to a new pastorate—whether it is the position of senior or associate pastor. A thoughtful congregation can do much to alleviate those fears. A few simple gestures of kindness will facilitate the transition. The following suggestions may help generate creative ways of helping the new pastor's family as they adjust to relocation.

### **Prayer**

A calendar of prayer will under gird the family and help them to know they are being supported during this exciting but anxious time. A few weeks before the pastor arrives, allow members of the congregation to covenant to pray for the family on specific days of the first month the family is there. As the parishioners dedicate themselves to this task, they will be reminded of their responsibility in helping the family make a smooth transition. When the family arrives, present them with a list of names and photographs of people who will be praying for them each day of that first month they are with their new congregation.

### **Getting Off on the Right Foot**

It is critical that the new pastor's family feels welcome from the first day they set foot in their new surroundings. Arranging and paying for the move, making sure electricity, water, and telephone are all on when they arrive, and that garbage and recycling removal are arranged are thoughtful provisions.

A floral arrangement or new plant is a welcome sight for the new family as they enter their new lodgings. Whether they are in a parsonage, renting for a short period of time, or buying a house, a basket of fruit is also a well-received statement of thoughtfulness.

A kitchen stocked with basic perishable and nonperishable foods helps the family as they adjust to their new surroundings. It is a greeting to a tired family that has spent the last few weeks preparing physically and emotionally for a new environment. It is also a thoughtful idea to arrange dinner to be brought to the family during the first week after the move. Providing meals shows sensitivity to their needs. Once the family has been greeted and the food dropped off, however, thoughtful parishioners will allow them some privacy to begin to settle in. It would be thoughtless to plan to stay for the evening.

Allow the pastor and family a chance to settle in and unpack their belongings. There will be time for fellowship at a later date, but the first month should give the family space to empty boxes, get children settled in school, and arrange the other details that are inherent in a move.

Inviting the staff and family to individual houses for a meal is often a welcome gesture of respect and appreciation. Assure the family, however, that if they need to stay only a short time it will not be taken as an offense.

### **The Single Pastor**

Treat the single pastor with the same respect and thoughtfulness. Do not be afraid of welcoming the single pastor—either associate or senior pastor. Treat the person with the same respect you would a married pastor. Many people presume a single person has a more flexible schedule than a married person. Do not assume the single pastor will baby-sit or do other tasks you would not ask a married pastor to perform.

Often the single pastor is a younger clergy member, just entering the ministry. This young pastor is still deserving of the deference you would give to an older, married pastor. Do not presume to try to arrange a date for your pastor.

### **Helping the Pastor's Family Settle In**

#### *Welcome and Befriending the Pastor's Family*

It is difficult to relocate. Many pastors and their families indicate that the first five or six weeks after a move are very stressful in the life of the new pastoral family. Anything that can be done to alleviate this stress will endear the congregation to them. If the church has a pictorial directory and a telephone list, provide one for the pastor. If a history of the congregation is available, the provision of one is also very helpful.

#### *Welcome Packet*

Once the pastor has accepted the call to a specific congregation, send a well-prepared welcome packet to the family. This will familiarize them with the community and allow them time to plan their impending move. (Often Chambers of Commerce in local communities have just what you need for this packet.)

A list of several real estate companies in the area is helpful to the family who must buy a new house or rent an apartment. This gives the opportunity to choose carefully their neighborhood and the school where they will send their children, if applicable. Be aware some families prefer to be in the same neighborhood as the church, while other families prefer the privacy of locating a few miles from the church.

A well-stocked community portion of the packet will have a city map, library brochure, information regarding hospital and post office locations. If the family has chosen a residence, include such things as garbage removal day and time, banks, local schools and day-care centers (as appropriate). Passes to local golf courses, area parks, and a family membership to the YMCA communicate to the pastor that the church is both supportive and committed to holding the pastor accountable for taking care of physical exercise and alleviating stress.

It helps to provide a city magazine, if available. Even smaller towns occasionally publish a local journal. If there is a local newspaper, secure a subscription for the first year to be sent to the pastor's family. Also include in this packet gift certificates for local businesses, such as restaurants, bakeries, and florist shops.

### *Child Care Needs*

Often the new pastor and spouse are invited to many functions the first few weeks in the new community. Pastors with small children have a difficult time finding child-care in a new location. Provide a list of congregational and non-congregational babysitters and child care centers, as well as adequate references for the family. Include in this list, telephone numbers and locations, as well as ages of the individual babysitters. Also provide fees for services, if available.

### *Physician and Professionals Recommendations*

A thorough list of physicians, dentists, and optometrists is helpful to the new pastoral family. Include specialists in the medical field (e.g., chiropractor, pediatrician, gynecologist, orthopedic specialist, podiatrist, and ophthalmologist).

It is also good to recommend a plumber, electrician, and heating and air-conditioning company. Some congregations are blessed to have many small business owners or local professional people. If this is the case, make sure the pastor is aware of these people. If not, it would be helpful to compile a list of local services and introduce the pastor to a few of the community businessmen and women. Also, remember that some pastors may feel uncomfortable contacting those within their own congregation.

### *Introductions*

If there is a multiple-staff ministry, an early responsibility of the congregation is to make sure the pastor or associate pastor has plenty of opportunities to get acquainted with the rest of the staff. A reception for the staff and spouses, or a dinner in a private room, is

necessary during the candidating weekend. Although a senior pastor may prefer to choose the staff, each church has different guidelines. If there are other staff members, therefore, it is critical to the process of adjustment to provide occasions for the whole staff and their families to make initial acquaintances.

Make it a point to introduce the new pastor to other area pastors, both within the Church of God and in surrounding denominations. Encourage state involvement by introducing your new pastor to the state coordinator and office staff members.

### **Helping the Pastor Care for Self**

New pastors are particularly vulnerable to trying to settle in so quickly that they neglect to take their days off or to have a date night with their spouses. It is the responsibility of the congregation to insist that the pastor do self-care on a regular basis. The pressures of pastoring are of such a nature that if the congregation does not require the pastor to take care of the whole self, physical, mental, emotional, then spiritual health will suffer.

This is not only biblical, it is necessary for the physical, mental, emotional, and spiritual health of the pastor. A weekly day off, a monthly prayer day away from the church facility, a quarterly weekend away, and a yearly vacation of at least four weeks should be written into the job description of the new pastor or associate pastor. This also serves the congregation. Since the demands of ministry are often constant, the congregation that is selfish with these benefits is cheating itself as well as its pastor.

A minimum of two days away every quarter for study and prayer is necessary if the pastor is to keep up with the administrative tasks of pastoring and to be consistent in quality of sermons. It is also the wise congregation that insists the pastor takes a week away each year as a study retreat. To insure adequate provisions are made, planning for a sabbatical during the seventh year of a pastorate is the congregation's responsibility from the first year.

It is not the responsibility of the pastor to fill the pulpit every Sunday of the year. The church must make it possible and easy for the pastor to arrange time away. The church budget should provide monies for pulpit filling for those times when the pastor is gone.

### ***Continuing Education***

The pastor must continue to seek continuing education in order to have an effective ministry. Adequate funds for professional development should be provided in the benefits on a yearly basis. This will include money for conferences or retreats, including mileage and accommodation, and a library fund.

### ***The Pastor's Spouse***

It is critical to note here that unless the pastor's spouse has also been hired, she or he is *not* a member of the staff. Although a pastor's spouse often takes a very active role in the ministry, it should not be assumed that the church is getting "two for the price of one." Just as every pastor is unique, so every spouse has a different philosophy of their



personal role in ministry. To presume that the spouse will fill in any gaps is to demean that person and the ministry to which God has called him or her.

### ***Benefits***

The Church of God has a pension plan that is second to none in retirement planning for a minister. The church should participate with the Church of God Board of Pensions by including in their salary package a monthly payment to the pastor's pension fund.

Medical costs are perhaps the most worrisome part of any family's benefits. Provide adequate insurance for the new pastor's family. To lessen that anxiety by providing health insurance appropriate for the size and age of the pastor's family is to care for that family. A comprehensive health package will include dental, optometric, and mental health care. It may be possible to provide a medical remuneration in the budget, to be used to provide for costs not covered by the health insurance. For churches with limited financial resources, a major medical plan should still be a minimum provision.

### ***Pastoral Advisory Team***

Most churches will benefit from the presence of a pastoral advisory team (PAT). This team of three to five people is formed for the purpose of providing emotional and spiritual support for the pastor. The team is comprised of both men and women of varying ages, who are respected by the congregation as spiritually mature individuals of integrity. Having spiritual gifts of discernment, faith, prayer, and/or exhortation, they exist to meet on a regular basis to pray for and with the pastor, and gently confront the pastor on issues of concern. While the PAT has the ear of the congregation and is able to communicate to the pastor situations it deems potentially explosive, its main role is to encourage the pastor and act as prayer warriors for the shepherd of the congregation. The first PAT for a new pastor will probably be chosen by the congregation for a term of one year. After that time, the pastor and leadership team or council should ratify a new PAT, which may or may not include any of the original members. This team and subsequent teams would serve for approximately three years.

It is important to note this is a spiritual position and not a governing team. They are to be the Aarons and Hurs, holding up the pastor's arms as the spiritual battles are fought through the year.

### ***Pastor's Appreciation Sunday—Remembering the Family too!***

Most churches feel they are not able to remunerate the pastor with a salary as large as the congregation would like. There are, however, times of the year that they can show their love and appreciation. Even a small, financially challenged church can think of ways to celebrate the Pastor's Appreciation Month each October. Watch for mailings from Church of God Ministries about this event; but do not expect the pastor to take the lead in his or her own appreciation.

- A night away at a local motel or bed and breakfast
- A reception or dinner in honor of the pastor's family
- Baked goodies
- Symphony or theater tickets
- A gift to a Galatians 6:6, Intimate Life Retreat
- Gift certificates to the local mall or bookstore
- A card shower
- A wheel of prayer for the pastor and family for the next year
- Paid reservation to the pastor's wives' retreat

Pastors' spouses are often the most overlooked—and the loneliest—people in the congregation. Do not forget the pastor's spouse!

Hundreds of other suggestions are available on the web by searching for pastor's appreciation month (e.g., [www.chog.org/EVENTS/Clergyappreciation.asp](http://www.chog.org/EVENTS/Clergyappreciation.asp), [Parsonage.org](http://Parsonage.org), [pastorappreciation.org](http://pastorappreciation.org), and so forth.).

## **A GOOD START**

**by John Boedeker**

These suggestions are simply thought-starters for the congregation. Each congregation is unique, but a smooth transition is more likely if the congregation plans ahead to make the pastor and family feel welcome, not just at the beginning of the pastorate, but throughout the year.

In his book, *The Church of God at the Crossroads*, Dr. Gilbert Stafford discusses a fundamental choice that we are making about our future. Will we be a Church of God group of independent churches with little connectivity or a group of interdependent churches, partnering together to advance the kingdom of God?

One key area in which that question is regularly answered is in the selection process of a new pastor for a local church.

In the Church of God we have emphasized the call of God on the life of a pastor and believed that the Holy Spirit would bring called pastors and seeking churches together. We also realize, however, that God uses human instruments in the search process and this most often takes the form of a pastoral search committee.

But even beyond the search committee, there are many persons and offices that can facilitate the process and help to insure a successful search. It is important that partnerships become resources for the very best pastoral leadership for the local church.

- **National:** The Congregational Ministries Team of Church of God Ministries can provide résumés, some screening of candidates, and wise counsel about the process.
- **States and regions:** States that have a coordinator/state minister offer pulpit and search

committees valuable assistance. They can help you particularly in two important ways: in understanding the “search process” and with recommendations and reference checks. There are some states that are now conducting criminal checks, credit checks, and psychological tests for potential pastors. All of this is to protect and help the local church find a pastor who is God’s person for the church. In some areas these are credential coordinators and committees. If a state is not organized with a state coordinator office, check with the state credentials chair for assistance in the process.

- **Wise counselors:** You might also be greatly helped by an experienced pastor who is credentialed in the Church of God and is geographically close enough to be a consultant to your search committee.

Selecting a new pastor is a God-directed process but your partnership with others can make or break the process.

# **APPENDICES**

# **Advice from a Pastor's Spouse**

**by Judy Mishler**

- After the initial call to a pastoral candidate who has expressed interest in the position, send an information packet about the church, the town, and the region; a church pictorial directory is nice, too.
- Be sure that the spouse is invited to the meetings.
- Meeting at a nice restaurant at a somewhat secluded table is nice—especially if it is a “halfway” spot between where the search committee and the prospective pastor live.
- If it is too great a distance to drive, flight arrangements should be extended to the spouse as well.
- If a meeting is set up at the church, make sure the room is ready: comfortable setting, comfortable temperature, and refreshments available.
- The kindness of paying mileage is always appreciated.
- Before or after the meeting, take the couple on a tour of the facility.
- Talking about salary is always difficult. Committees should be sensitive to the comfort level. Many, on both sides of the table, are uncomfortable talking about salary, but it must be included as a part of the earlier “information package” or given as early as possible. Some candidates wish to discuss finances later in the process so that their call is not based on financial considerations.
- Smile a lot when you talk!
- Be sure to ask the spouse what her or his interests in ministry are.
- Make it clear when the meeting is over that the candidate knows he or she will be contacted in a specific period of time—then, be sure you do it.
- If a parsonage is part of the package, a tour would be appreciated.

# Caring for Your New Pastor—A Checklist

By David I. Shrout

*Your new pastor will be here soon; here is a checklist for the church leadership to consider in anticipation of your new pastor's arrival:*

- Learn the names of your new pastor's family.
- Begin to pray for your new pastor's spouse, and children by name.

## CHURCH PREPARATION

- Church clean up
  - Pull the weeds
  - Paint needed areas
  - Replace light bulbs
  - Complete work projects
  - Clean parking lot
  - Replace, repair, and fix anything that needs it

## PASTOR PREPARATION

- Clean up the pastor's office
- Are all of these necessary items ready for your pastor?
  - Desk
  - Phone/fax
  - Computer/printer
  - Bookshelves
  - Secretary—your pastor is too expensive to be a secretary
- Pastor's pay package
  - Base salary set
  - Insurance—health, dental, vision
  - Pension—11% of base salary
  - Travel and meeting expense (state camp meeting, annual state association meeting, ministers' retreat, regional ministerial meetings, North American Convention)
  - Educational opportunities, conferences, and seminars
- Time off
  - Vacation (four weeks)
  - Days off (two a week)
  - Home phone calls
- The care of your pastor
  - Sometimes call your pastor as a friend
  - Invite the pastor's family to join your family on fun outings
  - When they arrive, let them be friends and not just the "pastor's family"

**❑ The responsibilities of your pastor's spouse**

- To support the pastor
- To raise godly children
- To be an active layperson
- Not* to be an unpaid member of the pastoral staff

**REMEMBER, by the Holy Spirit—**

- You reviewed the résumés.
- Your search committee selected a candidate.
- You called your new pastor.
- God called this pastor to your congregation.

Therefore, receive your new pastor as your spiritual leader and shepherd—not as your employee.

- Pray for you new pastor and family.
- Help them to get settled into your community.
- Realize that your church is going to change.
- Commit yourself to follow your new pastor's leadership.



## Congregational Résumé

Name of Church \_\_\_\_\_

Address \_\_\_\_\_

City, State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_ E-mail \_\_\_\_\_

Web site Address \_\_\_\_\_

This congregation was started in \_\_\_\_\_(year).

The following pastors have served this congregation:

Name	Served From	To
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(If more space is needed, complete the list on a blank sheet of paper.)

Population of our city (community, if rural) \_\_\_\_\_.

Facilities:

(A) Sanctuary seats \_\_\_\_\_ people.

(B) Sunday school space for \_\_\_\_\_ people.

(C) Parking space for \_\_\_\_\_ cars.

(D) Church site is approximately \_\_\_\_\_ acres.

Average Sunday Morning Worship Attendance for the past 10 years.

19\_\_ 19\_\_ 19\_\_ 19\_\_ 19\_\_ 19\_\_ 19\_\_ 20\_\_ 20\_\_ 20\_\_  
\_\_\_\_

The number of regular attendees who live within the following distances from our church building are:

\_\_\_\_ 0-3 miles    \_\_\_\_ 3-5 miles    \_\_\_\_ 5-10 miles    \_\_\_\_ 10+ miles

Number of people baptized in the past five years: \_\_\_\_\_

**Demographic Profile**

Age	Single	Married	Divorced	Widowed	Male	Female
Under 5	_____	_____	_____	_____	_____	_____
5-9	_____	_____	_____	_____	_____	_____
10-13	_____	_____	_____	_____	_____	_____
15-19	_____	_____	_____	_____	_____	_____
20-24	_____	_____	_____	_____	_____	_____
25-34	_____	_____	_____	_____	_____	_____
35-44	_____	_____	_____	_____	_____	_____
45-54	_____	_____	_____	_____	_____	_____
55-65	_____	_____	_____	_____	_____	_____
65+	_____	_____	_____	_____	_____	_____

Our congregation supports:

(A) World Ministry Advance (at what level) \_\_\_\_\_

(B) State Ministries (at what level) \_\_\_\_\_

The following program ministries are presently being carried out in our congregation:  
(Example: Sunday school, youth, and so forth)

\_\_\_\_\_  
\_\_\_\_\_

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(Feel free to attach further explanations to this document.)

Our congregation has a vision to:

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(Feel free to attach further explanations to this document.)

Enclosed you will find:

- Current church budget
- Current financial report
- Past year's financial report
- Past year's annual report
- Church bylaws

References (three ministers and three laypersons who do not worship presently at our church):

**MINISTERS**

NAME: \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ZIP CODE \_\_\_\_\_

NAME: \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ZIP CODE \_\_\_\_\_

NAME: \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ZIP CODE \_\_\_\_\_

**LAYPERSONS**

NAME: \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ZIP CODE \_\_\_\_\_

NAME: \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ZIP CODE \_\_\_\_\_

NAME: \_\_\_\_\_ PHONE (\_\_\_\_) \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ ZIP CODE \_\_\_\_\_

# **Covenant Sample #1**

## **Covenant for Interim Pastoral Ministry**

\_\_\_\_\_ (name of congregation) covenants with \_\_\_\_\_  
\_\_\_\_\_ (name of interim pastor) to serve as interim senior pastor with the following conditions and covenants:

The time period begins \_\_\_\_\_ (date) and ends \_\_\_\_\_ (date). This time period is negotiable with the mutual consent of the congregation and the interim pastor. It is understood that at such time as the congregation secures the permanent services of a senior pastor, the services of the interim pastor will end.

### ***Together We Will—***

- Seek to maintain stability within the mission and ministry of this congregation;
- Come to understand and appreciate the history and heritage of this congregation and its unique call to be God's people in this place;
- Seek to identify who we are now and what it is we understand God is calling us to be in the future;
- Empower the present lay leadership for their ministry, and nurture and welcome leadership gifts from all members of the congregation;
- Strengthen the congregation's links locally, to the state office, and to the national office in order that we might have access to necessary resources for ministry and for seeking God's person for senior pastor;
- Prepare for the call and arrival of a new pastor.

### ***The Interim Pastor Will—***

- Study carefully and preach and teach the word of God faithfully and, with the pastoral staff, arrange for pulpit supply in the event of an absence;
- Work with the staff in planning and conducting regular services of public worship;
- Provide pastoral care, both personally and through involvement of lay members, to persons of the congregation according to needs;
- Give pastoral support to boards and committees and to organizations and activities of the congregation, as time allows;
- Work in a team ministry with other members of the pastoral staff and lay leaders;

- Officiate at communion, baptisms, weddings, funerals, and other services as appropriate and requested;
- Represent this church in the wider community.

**We, the Congregation, Will—**

- Receive our interim pastor, uphold him in prayer, love, respect, and good will;
- Commit ourselves to the gospel of Christ by faithful participation in worship, learning, and fellowship activities;
- Commit ourselves to each other as brothers and sisters in Christ and agree to speak the truth in love in every situation;
- Work diligently toward the call of a new senior pastor;
- In honor of \_\_\_\_\_ (indicate full time, three quarter, or half time service or another description) service, we will support the ministry of the interim pastor financially in the following ways:
  - A. Pay a weekly salary of \$\_\_\_\_\_;
  - B. Pay a housing allowance of \$\_\_\_\_\_ or provide appropriate housing;
  - C. Pay a weekly expense allowance or reimburse professional expenses;
  - D. Provide for employee benefits including: \_\_\_\_\_;
  - E. Grant one week of paid vacation for each three months of interim service;
  - F. Provide one week of travel or study time per six months of interim service;
  - G. Provide up to two weeks of paid sick leave, if needed.

This covenant is subject to regular review by the parties involved and may be modified or changed by mutual consent.

AGREEMENT ISSUED BY: \_\_\_\_\_  
(Legal name of congregation)

\_\_\_\_\_  
(Signature of church official)

\_\_\_\_\_  
(Date)

AGREEMENT ACCEPTED BY: \_\_\_\_\_  
(Name of interim pastor)

\_\_\_\_\_  
(Signature of interim pastor)

\_\_\_\_\_  
(Date)

(This form is used by Jerry Grubbs; reproduced with slight editorial changes.)

**Covenant Sample #2:  
Interim Ministry—  
A Personalized Statement of Understandings**

Date

Mrs. Josaphine Doe, Chair  
Pastoral Search Committee  
Trinity Church of God  
Centerville, USA

Dear Josaphine:

Thanks for the invitation and opportunity to serve with the Trinity Church of God of Centerville. Please express to the pastoral search committee our appreciation for the thoughtful way you have related to us.

As you have suggested, it is best for the church and all of us to have some written statement of understanding about the responsibility Laura and I will assume with your congregation. I do not recall that we spoke of a title for the assignment but interim pastor is one often used and that will be sufficient for this statement, though you may choose some other designation.

The elements of the interim pastor ministry, as I understand them and which I have agreed to meet, are:

We will be in Centerville three days and three nights each week. The options may be kept open at the discretion of the committee, but for now we will usually plan to travel to Centerville on Friday morning and travel back to Anderson on Monday morning. Options include travel to Centerville on Thursday evening and back on Sunday evening and an extension of the time to four overnight stays if it is determined by the committee that, on occasion, an extended stay would be beneficial.

- The interim pastor will speak for the Sunday morning worship service.
- Laura plans to accompany Oral nearly all weekends but may have different obligations on a few weekends.
- The interim pastor will be available for, and may initiate, meetings with the other members of the pastoral staff. This may occasionally take the form of a dinner at a local restaurant on Friday or Saturday evening. A Monday morning breakfast with the pastoral staff would be desirable.
- The interim pastor will be available for meetings with the pastoral search committee, at their discretion. The interim pastor will meet with other leadership groups of the congregation as needed and as schedules permit.
- The interim pastor will be available to lead a consultation and visioning session for leaders of the congregation, if needed and requested.
- The interim pastor will speak for or teach in a Sunday evening service, class, or welcoming class, as requested and scheduled to do so.

- Oral and Laura will often accept invitations to visit socially in homes or to dine out with members of the congregation but prefer to make their own social schedule.
- When a prospective pastor is present to speak on a weekend, the Withrows will not travel to Centerville.
- The pastoral search committee and the interim pastor will be mutually responsible to notify each other two weeks in advance if any changes are made in the speaking schedule, the worship services, or other weekend meetings.
- The interim pastor will be available for conversations with pastors or lay leaders during the week by telephone (765-000-0000) or e-mail (XXX@aol.com).

The Centerville Church will provide comfortable lodging for the Withrows for the nights of their assignment in Centerville.

The Centerville Church will provide an honorarium of \$XXXX for each Sunday that the Withrows are in Centerville. Also, travel mileage between Anderson, Indiana, and Centerville, and while in Centerville, will be reimbursed at \$0.XX per mile.

The Centerville Church through its treasurer will designate the honorarium as housing allowance in keeping with the provisions for parsonage allowance in the income tax laws.

The assignment as interim pastor will begin the weekend of June 3 and will continue for successive weekends. An exception: the Withrows are hosts for a family gathering on Sunday, June 17. (The Youth Fellowship is responsible for the worship service on that weekend.)

The committee and the interim pastor assume that a call will be given to a senior pastor by the end of the summer. When a senior pastor is called the committee and the interim will plan for the termination of this temporary relationship. If a senior pastor is not called before the fall months, the committee will have the option of securing other persons for interim leadership.

Josaphine, I think that the statements above cover the understandings expressed in our meeting on Sunday, April 15. You will, of course, add statements if any of the understandings you have are not included.

Our final decision has not been made about the class reunion picnic in Charleston, West Virginia. It is probable that we will not go to the meeting; if we do, we will arrive in Centerville Saturday evening, June 9, and stay until Monday, June 11.

We look forward to an enjoyable time in your fellowship and an effective ministry.  
Sincerely,  
Oral Withrow

## **Congregational Profile (Model)**

*The following is an actual congregational profile used in pastoral searches at Park Place Church of God, Anderson, Indiana. It is used with permission.*

### **The Position of Senior Pastor • Park Place Church of God • Anderson, Indiana**

*Park Place Church of God, Anderson, Indiana, invites applications for the Senior Pastor position on its church staff. The sections of this Search Packet include (1) information about the position, resources available, a statement of desirable characteristics as well as a listing of primary responsibilities and activities; (2) a “Snap Shot,” containing information about Park Place Church of God—its roots, organizational structure, staff, present ministries, and aspirations for the future; and (3) the method by which an application may be submitted. This Search Packet was initiated by the Senior Pastor Search Committee, supported by the Staff-Parish Relations Committee, and approved by the Church Council.*

### **Desirable Characteristics and Abilities**

The Search Committee, with the support of the Church Council, has established the following listing of characteristics and abilities desired for the Senior Pastor position. These characteristics and abilities are understood best within the context of the “Snap Shot” document attached.

***Personal Character and Commitment***—Possesses a steadfast devotion to the person, principles, and lifestyle of Jesus Christ evidenced by consistent Christian conduct; the practice of the disciplines of faith; growth in biblical understandings; and a demonstrated commitment to the Church as the Body of Christ. Balances professional obligations with personal and family time.

***Ministry Vision***—Possesses a ministry vision consistent with the vision and core values of Park Place Church of God and with the teachings, practices, and values of the Church of God (Anderson, Indiana).

***Worship Leadership***—Is able to offer consistent high quality preaching that is intellectually challenging and focused on spiritual formation; is willing to invite guest speakers into the pulpit.

***Academic and Personal Preparation***—Undergraduate degree required; Master of Divinity or other appropriate graduate degree is strongly desired. Gives evidence of ongoing preparation and growth in intellectual and spiritual life.

***Leadership/Management Style***—Is an energetic, sensitive, and confident person who views him/herself as a team leader with both staff and congregation. Demonstrated management style is that of enabling, equipping, and motivating others to participate in ministry. Displays understanding for and commitment to listening and building trust and credibility with the congregation before suggesting major change.



***Caring/Relationship-Oriented***—Views self as a co-walker on the path to spiritual maturing and aspires to work and live in community with others. Functions as shepherd, providing guidance, encouragement, and comfort. Recognizes and empathizes with the diverse needs of the congregation coupled with the ability to call the congregation to unity. Ability to act as bridge-builder within the congregation.

***Outreach***—Demonstrated commitment to global and community outreach, including support for missions projects. Committed to joining the church in proactive partnership with the Park Place community and in finding ways to serve it.

### **Responsibilities and Activities Presently Envisioned**

The Search Committee, with the support of the Church Council, has established the following listing of responsibilities and activities desired for the Senior Pastor position. These responsibilities and activities are understood best within the context of the “Snap Shot” document attached.

- Prepares and delivers sermons.
- Coordinates leadership of public worship experiences.
- Assigns or invites other staff ministers or guest speakers to preach or otherwise participate in leadership of worship.
- Coordinates the work of both pastoral staff and managers of clerical and property services. • Leads the meetings of the pastoral staff.
- Participates in meetings of Church Council, Staff-Parish Relations Committee, and other boards/committees as needed and mutually agreed.
- Encourages participation of the congregation in community service, and in local, state, national, and international ministries.
- Leads in the initiation and implementation of long-range planning.
- Engages in continuing education in consultation with the Staff-Parish Relations Committee.
- Assumes responsibility, in concert with other pastoral staff, for visitation, weddings, funerals, baptisms, baby dedications, personal counseling, and other special events.
- Participates in budget development and management.

### **OUR ASPIRATIONS—*A Traditional Church; An Aspiring Church***

Park Place Church of God has a distinguished heritage, a challenging present, and a hopeful future. For over ninety-three years our people have served Christ faithfully in the Anderson area and, through its ministries and stewardship, around the world. We are a gathering of persons committed to becoming God’s people in the world and to continual transformation, renewal, and ministry to a needy world.

**Our Mission**—Park Place Church of God seeks to be God’s covenant people, an inclusive fellowship under the Lordship of Jesus Christ, who:

CELEBRATE the presence and love of God in worship;  
NOURISH persons in faith and discipleship; and  
REACH OUT to people with Christ’s love.

**Our Vision**—As a celebrative, nurturing, and compassionate people, we seek

- to introduce new persons to Christ (Evangelism)
- to create a Christian community that nurtures a sense of belonging (Fellowship/Hospitality)
- to prepare persons to follow Christ (Discipleship)
- to offer Christ-centered congregational worship (Worship)
- to encourage a variety of ministries united under a common purpose (Ministry/Service/Missions)

**Our Aspirations for the Future**—The congregation's corporate aspirations are difficult to catalogue in brief. The following expressions, however, encapsulate a portion of our hopes and dreams and further elaborate the church's vision.

We aspire ... to bring people into initial relationship with Jesus Christ and disciple them so that they might become mature Christian servants.

We aspire ... to deepen the prayer lives and enhance the biblical understanding of those to whom we minister.

We aspire ... to offer ministry that is comprehensive so that each person will have access to the spiritual resources needed to experience joy and fulfillment in Christ, faithfully follow the Lord in true discipleship, and helpfully respond to a world in need.

We aspire ... to develop care and support-giving systems for persons, especially those whose lives are coming apart.

We aspire ... to develop creative, meaningful expressions of worship that effectively speak and minister to all generations.

We aspire ... to be a high-commitment church in which believers willingly give of themselves and their resources to make mission and ministry possible.

We aspire ... to enhance our hospitality and our ability to effectively attract, welcome, care for, and assimilate newcomers.

We aspire ... to conscientiously revisit and evaluate our mission statement, organizational structure, and methods, exposing programs and activities to critical self-examination in order to help ensure that all efforts are integrity-based, on-target, and effective.

## **THE HISTORY OF PARK PLACE**

In 1906 the Gospel Trumpet Company came to Anderson. Soon after, 170 of its workers established what would become Park Place Church of God. This pioneering fellowship met in several rented facilities until 1917 when a domed sanctuary, designed to hold 800 people, was built on the corner of Eighth and Union Avenue (now College Drive). In 1960 the congregation moved into its present facilities at 501 College Drive.

Guided by a succession of gifted lay and pastoral leaders, Park Place has often been a congregation of firsts—a trailblazing community modeling strong conviction in the leadership of the Holy Spirit. Park Place was among the first in the Church of God to use Sunday bulletins, to conduct vacation church school, to develop a handbell choir, and to utilize an organ in worship services. It was the very first, and thus far the only, local church in the country to reach the \$4 million mark for giving to Church of God world missions. For forty consecutive years it ranked number one in support of united Church of God mission outreach, and continues annually to rank among the top three or four giving churches in the movement.

While meeting congregational needs, the church has also pioneered many creative approaches to Christian ministry. In 1952 the Park Place weekday nursery school began. In 1968 the church helped establish Contact-Help telephone ministry and Big Brothers. The congregation began a counseling center in 1974, a service now sponsored by Anderson area churches. The church was instrumental in beginning Harter House, which provides suitable living quarters for seniors, and Women's Alternatives, a shelter for battered women and their children. Park Place has also helped sponsor new local congregations such as Fishers and Carmel in the Indianapolis area and East Side in Anderson.

Blessed by the Holy Spirit, the seed planted in Anderson's soil more than ninety years ago continues to grow as a vibrant, caring, loving people of faith reaching up to God, out to each other, and beyond to a needy community and world.

### **THE CORPORATE REALITIES OF PARK PLACE**

The current organizational design for Park Place Church of God was approved by the congregation and implementation was initiated in November, 1985. A primary intent of the design was to create enhanced lines of communication and more effective organizational link-ages among the pastoral staff and the various standing boards and committees of the church. At its core, it conceives of a polity based on broad congregational ownership and involvement, the principle of mutual support and common mission, and the power of spiritual gifts. The structure assumes that the people are the church.

The Church Council is the primary directional and policy agency where strategic planning occurs, and delegates to other units the implementation of strategic decisions. The chairpersons of the following groups serve on the Council: Board of Trustees, Board of Worship and the Arts, Board of Congregational Mission and Lay Ministries, Board of Christian Education, Staff-Parish Relations Committee, Committee on Nominations and Personnel, Stewardship Committee, and Bylaws Committee. Along with others not specified here, the Council also counts among its members a Council chair, a Council vice-chair, and five additional persons—all ratified by the congregation.

Various paid staff members are non-voting ex-officio members of specific boards and have direct working relationships with these bodies. For example, the Minister of Music and Worship has a direct working relationship with the Board of Worship and the Arts, and the ministers of youth, university students, children, and adults have a direct working relationship with the Board of Christian Education.

The Staff-Parish Relations Committee facilitates the development of effective congregational ministry by actively listening to the concerns of staff members and congregants. It works to create and maintain a climate of trust, openness, and honesty between the staff and the church, and within the staff itself. This body conducts regular performance evaluations of pastoral staff members and is charged with organizing the search process when pastoral staff vacancies occur.

The congregation has been blessed with senior and support ministers respected throughout the movement and beyond. Some of those who have served Park Place in ministerial roles include **Mabel Hale, J. T. Wilson, E. A. Reardon, W. Dale Oldham, Gertrude Little, Marvin Hartman, Hillery Rice, Arlene Hall, Don**

**Collins, Keith Huttenlocker, Ron Duncan, Don Johnson, Anita Womack, David Coolidge, and Ed Nelson.** As with any church, the positions represented on the called pastoral staff—as well as their job descriptions and duties—have undergone alteration and revision through the years in response to the changing needs of the congregation. Such dynamic changes can be expected to continue in the future. Below are the names of the current pastoral staff members and the positions the congregation has called them to fill:

**Called Staff:** **Dwight and Sylvia Grubbs**—Ministers of Prayer and Pastoral Care; **Jennifer S. Talbot**— Minister of Christian Education: Children and Adults; and **J. Curtis Walters**— Minister of Christian Education: Youth and University Students.

**Interim Staff:** Currently, **Don Collins**, formerly on the pastoral staff at Park Place and most recently campus pastor at Anderson University, is serving a six month term as Interim Senior Pastor. In addition, **Ronald C. Smith** is employed as the Interim Business Administrator. **Greg McCaw** is serving as Interim Music Assistant, with responsibilities for the Sunday 8:30 A.M. contemporary service. **James Martin** is planning and leading the Sunday 10:45 A.M. traditional service, and **Robert Nicholson** is Interim Director of the Sanctuary Choir.

**Present Ministries:** The following list of ministries is not comprehensive. It represents just a portion of the programs and efforts that are a part of Park Place Church of God.

**Sunday Church School**—Classes for all ages and many interest areas meet each week at 9:40 A.M. and are staffed with competent, caring teachers. Children's classes are biblically-based and developmentally appropriate. **Sundays at Six**—A regular Sunday evening service features a variety of learning and worship experiences in a more intimate, informal setting. Worship leaders and speakers are usually laypersons from the congregation or special guests. **Body Life**—This program, conducted on Wednesday evenings from 5:15–7:30 P.M., brings the church family together for fellowship and teaching. Each week begins with a buffet meal and features church family fellowship and worship followed by hour-long classes that offer multiple options for Christian study and learning. **Family and Community Events**—Occasions are planned throughout the year to build relationships in the church family and to provide an opportunity for inviting neighbors and family friends. **Children's Center**—Beginning in 1952, the Children's Center has grown into an all-day child care program with a nursery school program and classes for kindergarten age through five-year olds; it is open to the Anderson community. **University Ministry**—“Open Door,” a Sunday evening service planned and led by Anderson University students in collaboration with pastoral staff, regularly draws large crowds to its energetic services of music, public testimony, and sharing. **Youth**—A wide variety of experiences are offered, including weekly youth fellowship, small group Bible studies, group-building retreats, state and national youth conventions, international work camps, local service opportunities, and Sunday school classes.

**Men's and Women's Groups**—The women of Park Place seek to grow in their personal lives, in relationship to others, and in service to the community and the world. Mission, study, and prayer groups meet regularly for study and fellowship. The men sponsor retreats and special work projects and are involved in CHURCHMEN, a network of men who serve and fellowship in Church of God congregations. They also participate in Habitat for Humanity. **Prayer Focus**—The prayer ministry is designed to assist persons in making connections with

and developing their relationship with Jesus Christ. Prayer guidance is offered utilizing written materials, small groups, and larger corporate settings. **Outreach Ministries**—Park Place is committed to serving the community where it is located. A few current examples will illustrate this commitment. A food pantry serves hundreds of families every year. Each week a group of persons gathers to visit the Pendleton Reformatory as part of a prison ministry. During the school year After School Fun provides wholesome experiences for neighborhood children. We participate in Habitat for Humanity and sponsor InAsMuch food kitchen which offers one hot, nourishing evening meal, six days a week, to hungry adults and children of all ages. In much of the recent past the congregation has also counted a Minister of Outreach among its staff. **Music Ministries**—Always central to the life of Park Place, the worship experience seeks to be innovative in music and worship. The physical setting for worship is beautiful and traditional; the Casavant Organ, along with a seven-foot grand piano and synthesized keyboard, are significant in worship; a sanctuary choir of forty to forty-five adult singers offers a wide assortment of choral music for worship, in addition to seasonal and other musicals, festivals, and concerts; graded choirs and hand bells are also provided for children and adults; additional instrumental resources are used frequently to enhance worship and provide for special musical events; and additional leadership resources are available within the congregation. Drama, liturgical dance, and other fine arts enrichment have been led by trained lay leadership. **Coolidge Chancel Music Series**—The church has maintained a concert series for over thirty-five years, involving organists, vocalists, and dramatists. There usually are six to eight concerts annually.

## OUR CHALLENGES

The contemporary church that seeks to realize more fully the biblical ideal of the body of Christ will be no stranger to conflict and challenge. Park Place is no exception. While we are confident that with nurturing preaching and quality pastoral leadership trends can be reversed; while a freshly energized and committed congregation is ready to participate in the reversal; nevertheless, significant challenges facing the congregation and our pastors continue. Four of these challenges are:

**An Aging Building**—Our Georgian Colonial church plant is surely one of the most elegant structures dedicated to God's glory and the ministry of the gospel in the Midwest. Its assessed value is approximately \$12 million. It is a forty-year-old building, however. We do not have central air, and most of the plumbing and wiring is original.

**Attendance and Finances**—We have experienced a steady decline in Sunday morning attendance and are presently experiencing below budget income. We are, however, managing our expenses so that they are less than income and cash flow remains healthy.

**Congregational Polity**—Currently the church is structured organizationally for wide involvement from the congregation in the governance and work of the church. It is based on a philosophy that assumes that the work of the church is conducted in committee and board so that the ministry of the church is a ministry of the people. While this design has served the congregation for roughly a decade and a half, considerable discussion is taking place regarding the need to redesign how the church organizes itself to accomplish mission and ministry.

**Worship Preferences**—Park Place has had full-time music and worship leadership since 1953. Most of those years the church has been well-served through the combined music and worship ministry of David and Shirley Coolidge, both of whom retired in 1999 and continue to be

members of the Park Place parish. Park Place has always been innovative in music and worship, often introducing new music ministries to the church at large. It is, however, a congregation that values traditional worship and excellence. In the last few years, the church began a second, more contemporary service. While many at Park Place value the two services and their distinct styles as appropriate to an outreach-minded congregation, others sense that it separates us as a people and contributes to a lack of focus and a divided congregation.

### **THE SPIRIT OF PARK PLACE**

*All congregations carry an atmosphere which, though intangible, is nonetheless very real. In large measure, this atmosphere determines the effect a congregation has on the people who belong as well as on the community around it. Perhaps Park Place gains its special tone not from the presence of any one dominant group or interest but from a distinctive blend of persons from many different and widely varying walks of life whose deepest motivations are set toward creating a Christ-centered community. The presence in the worshiping congregation of persons who have traveled or lived abroad, for example, has enriched Park Place with a world-wide outlook. The contributions Anderson University faculty and staff make to the church's pulpit and teaching ministries, to its worship life, and to many other aspects of our congregational life impart a rich and special flavor. Church of God agency staff, local business people, factory workers, medical professionals, homemakers, young people, retired persons—all these work, pray, worship, even play together in fellowship and out of a concern for one another that makes membership in Park Place a privilege and a responsibility for which to be deeply grateful.*

### **Applying for the Position**

Park Place Church of God invites persons who have an interest in the position of Senior Pastor, or who wish to engage in dialogue with the Search Committee, to direct inquiries to:

Chair  
The Search Committee  
Park Place Church of God  
501 College Drive  
Anderson, IN 46012-3499

Messages and inquiries may be directed to chair at (765) XXX-XXXX or Email to \_\_\_\_\_ . . . A letter of application should be accompanied by a résumé or vita, and should be submitted as early as possible.

*All correspondence and dialogue will be considered strictly confidential by all parties.*

## **Our Pastor Has Resigned—What Do We Do Now?**

### **Questions and Answers**

*Communicating with the congregation is central to the process of searching for and selecting a new pastor. No where is this more true than in the period immediately following the resignation of a pastor—regardless of the timeline between the resignation and the pastor’s actual exit. It is vital for the church to be reminded that they are prepared for this; that policies and practices are in place; and that a process is already established to begin the search for a new pastor.*

*What follows is an example of one way to communicate—up front—with the congregation in the period immediately following a resignation. This is a model; not all questions may apply to your church; it should be adapted to fit the reality of your congregational policies.*

After receiving the pastor’s resignation a few days ago, many of us are asking a number of “what happens now” questions. While some questions cannot be answered at this time, it may be helpful to share what we do know. Periodic updates in different formats will be forthcoming. Here are some of your questions; here are answers that can be provided now.

**Q. What do we do now?**

A. Our church bylaws give instructions on how to form a search or pulpit committee.

**Q. Is there anyone to help us?**

A. Explain here the assistance available at the state, district, or regional levels. Example: “The state ministries office is willing to give assistance and guidance as desired by our church leaders.”

**Q. Will other staff also resign?**

A. There is no anticipation of that. This transition involves Pastor \_\_\_\_\_ only.

**Q. How will we find a new senior pastor?**

A. Whatever the bylaws say. Example: “The Church Council will appoint seven members of the congregation to a search committee. That process is beginning.”

**Q. When will we know who is on the search committee?**

A. The Church Council is prayerfully considering who will serve in this process. Once those contacted have agreed to serve, names will be announced. Those serving will be commissioned during a worship service.

**Q. How will we choose a new senior pastor?**

A. The search committee will conduct a search through a variety of means and recommend a person who will be voted on by the congregation.

**Q. Will we have an interim pastor?**

A. The search committee, working with the board of staff relations, will be asked to make recommendations on a person.

**Q. How can I have input into the process?**

A. The search committee will be actively soliciting congregational input in a variety of ways. More details will be forthcoming.

**Q. Will the church have a reception for Pastor \_\_\_\_\_?**

A. A celebration of our pastor's faithful years of service is in the planning stages. Details will be announced when they are settled. (Date may be shared if known.)

**Q. How long will we be without a senior pastor?**

A. This is not fully known, but we do want to take our time for a thorough search as we allow God to give his leadership in the process.

**Q. What can I do now?**

A. PRAY for Pastor \_\_\_\_\_, our church leaders, the search committee, and the church as we all serve in this time of transition.

Signed,

(Name)

Chair of the Board/Council or other appropriate lay leader



## **Pastoral Installation**

The installation day should be a celebration that is both personal and relevant. This event is often planned as a last responsibility of the pastoral search committee because they are the group that has had the greatest opportunity to know more about the pastor and family. Some congregations install all new pastors that come on staff. Whatever the practice, the new pastor or associate should be made aware of the local custom of the congregation.

It is appropriate to schedule the installation service for a Sunday. Afternoons or evenings are more often used, however some pastors prefer to use the morning service for such a celebration. This may become problematic if other local pastors are invited. Local dignitaries and regional pastors should be notified and, if possible, be given a role in welcoming the new pastor. The state coordinator or area administrator should also be encouraged to take part in the service. If the presence of the state coordinator is desired, it will be necessary to check his or her schedule very early in the process.

This is a special day for the congregation and the pastor's family. Make sure to provide opportunities for special friends and relatives of the pastor to be invited. Plan the day far enough in advance to allow for special guests to arrange their schedules. Lodging may be needed for the speaker and other guests.

The pastor will possibly prefer to have a voice in the agenda for the installation service. Pastors have different preferences and while one may prefer a formal installation, another may choose to use a very informal approach to the day. It is traditional to ask the pastor to choose a speaker for the service.

A general order of service would include a welcome and opening prayer, a greeting from the mayor or a local dignitary, a greeting from the local ministry association or Church of God fellowship, a welcome from the chairperson of the council or governing board, a welcome from the state coordinator or area administrator, a charge to the pastor as well as the congregation, and an installation prayer, which normally includes the pastor and spouse (if appropriate). Be sure to include an opportunity for the pastor to respond. Special music by the choir or an individual(s) within the congregation would be appropriate. Introduce the pastor's family and formally welcome them as well. (Most state/provincial or district offices will have sample copies of installation services.)

Provide boutonnieres and corsages for the family on the day of the installation. A reception after the service may be as lavish as the participants wish.

## **MODELS OF VARIOUS INSTALLATION SERVICES AND COMMISSIONINGS**

*What follows are actual installation services and model commissioning and covenant statements that you may find helpful as you plan for your own.*

**A model of a service of installation during the  
Sunday morning worship time  
Date and Time  
Family Worship Hour**

Welcome and Introductions (Lead by search committee chair, church council chair, or other church leader)

Greetings from Indiana Ministries (A representative of the state office)

Song

Hymn

Time of Fellowship

Hymn

Special Music

Song

Pastoral Prayer (Guest, other area pastor, significant national or local leader)

Offering

Hymn

Message (Guest, other area pastor, significant national or local leader)

Charge to the Pastor, Staff, and Congregation (Often a representative of the state office)

Prayer of Installation (Guest, other area pastor, significant national or local leader)

Song of Unification

**A Service Of Installation  
For *Name of Pastor***

Date and Time

Prelude

Congregational Welcome: (Chair, Search Committee, and Board of Trustees)

Invocation: (Guest, other area pastor, significant national or local leader)

Congregational Hymn:

Scripture Reading: (Guest, local congregational leader, other area pastor, significant national or local leader)

Community and Ministerial Welcome: (Guest, other area pastor, significant national or local leader)

Recognition of Visitors: (Local church leader)

Congregational Hymn:

Scripture Reading: (Guest, local congregational leader, other area pastor, significant national or local leader)

Words of Challenge and Encouragement to the Congregation:  
(Guest, other area pastor, significant national or local leader)

Words of Challenge and Encouragement to *pastor's name*:  
(Guest, other area pastor, significant national or local leader)

A Covenant of Installation: (Often a representative of the state office)

Prayer of Installation: (Often a representative of the state or national office)

Comments from Pastor being installed

Congregational Hymn:

Benediction: (Guest, local congregational leader, other area pastor, significant national or local leader)



## COVENANT OF INSTALLATION

**Leader:** You have come together in worship this afternoon to consider your common mission and ministry as God's chosen pastor and people. You have heard the Scriptures and the message of challenge. I now invite you to enter into a covenant of installation. Will the members of this congregation please stand and responsively repeat your covenant with your pastor.

**Pastor:** I have been called by God to be a minister of the Gospel, and I come to you, ready to be your pastor in his behalf.

**Congregation:** We are called by God to be the church, the body of Christ, and we welcome you and your family to this congregation. We receive you as both Christ's minister and our pastor.

**Pastor:** I covenant with you to be your preacher and teacher, to speak to you the Word of God as it comes to me through the scriptures and reason, through my experiences in the community of faith and the community of humankind, and as it comes to me by the inspiration of the Holy Spirit.

**Congregation:** We covenant with you to be seekers after the Word of God, to be earnest hearers and diligent students, searching always for God's will in our lives, believing always there is yet more truth to come from his living Word.

**Pastor:** I covenant with you to be your pastor and your friend, your counselor and companion in both the agonies and the ecstasies of life, the sorrows and the joys, the defeats and the victories, sharing regularly with you in the ministry of prayer.

**Congregation:** We covenant with you, and with one another, to share with you and to support you in our common ministry and pastoral concern for our members and all others such as God would lead to us. We will pray regularly for you, your wife and children, and for one another.

**Pastor:** I covenant with you to teach you of the grace and acceptance of God, to speak not only the prophetic word of law and judgement, but to speak even more the word of love and forgiveness. I will, God helping me, encourage you to maintain all faith, hope, and love in your personal lives, and to strive for the love and justice of the kingdom of God in your life, in your family, and in the community.

**Congregation:** We covenant with you to strive, God helping us, to be a community of grace, to receive God's word of judgment, as well as his word of mercy and forgiveness. We will support you in our common cause for love and justice in our community and our world, striving always to be a mission-minded people, upholding wherever we have the opportunity, the cross of Christ.

**Pastor:** With a heart filled with thanksgiving, I accept my call from you as a call from God. I regard it as a great honor and high privilege to enter into this covenant and relationship with you. My spouse joins me in this affirmation of ministry. I humbly present myself to you, in the name of Christ our Lord, for formal installation as your pastor for as long as it seems good to all of us and the Holy Spirit.

**Congregation:** After careful consideration and much prayer, we have called you to leadership. We sincerely believe this is the call of God. For our common mission and ministry, we pledge our faithful support with our prayers, abilities, spiritual gifts, and money. Therefore, in the name of the Father, and the Son, and the Holy Spirit, we do hereby formally install you as our pastor for as long as it seems good to us and the Holy Spirit. May God bless you and us as we serve Him together.

**Leader:** Let us now pray the Prayer of Confirmation and Installation.

**CHURCH OF GOD**  
**Service and Celebration of Installation and Ordination for**  
**New Pastor**  
**Date and time**

**Prelude** (followed by choruses, hymns, special music, and so forth)

**STATEMENT OF PURPOSE:**

**Leader:** Throughout history God has called workers to carry out his will. Righteous Noah was chosen to survive the flood and save his family through building the ark. Abraham, the man of faith, was selected to be the forerunner of God's holy nation, Israel. Moses, the man of God, was called to deliver his people from bondage. Mary, called by God to be the means by which God came among us. Jesus personally chose the twelve to be his apostles. The early church set apart those called to special work through prayer and the laying on of hands. We come today formally to bless our brother/sister, Name, to the work for which God has called him/her. We seek to honor only Christ, and this one is being set apart for that purpose. Let us now ask God's blessing upon this occasion.

**EXAMINATION OF THE CANDIDATE:**

**Leader:** Lift up your eyes and look on the fields, that they are ripe for the harvest.

**Congregation:** Already he/she who reaps is receiving wages and is gathering fruit for life eternal. That/she who sows and/shewho reaps may rejoice together.

**Leader:** The harvest is plentiful, but the workers are few.

**Congregation:** Therefore we ask the Lord of the harvest, to send out workers into his harvest.

**Leader:** Then I heard the voice of the Lord saying, "Whom shall I send, and who will go for us?"

**Candidate:** I have heard the call of Christ, and in the words of Isaiah, I respond, "Here am I. Send me."

**Leader (to candidate):** Have you, *Name*, prayerfully considered the responsibility of living and preaching the Gospel, and have you weighed the work involved and the sacrifices you may be called upon to make?

**Candidate:** I have.

**Leader:** Do you believe that Jesus is the Christ, the Son of the living God, and that the Holy Scriptures are the Word of God to make us wise unto salvation through faith in him?

**Candidate:** I do, with all my heart.

**Leader:** Are you motivated, not out of a desire for position or earthly gain, but by a genuine love for God and your fellow human beings?

**Candidate:** I am.

**Leader:** Is it your desire to be an enabler, to diligently aid in all people's pursuit of the truth and to gently, fervently and patiently instruct them that all have sinned and fallen short of the glory of God, and to preach to them the good news of salvation?

**Candidate:** Yes, it is.

**Leader:** Will you strive to build up the church, the body of Christ, to prepare God's people for works of ministry, to labor for the unity of the faith and the knowledge of the Son of God?

**Candidate:** I will, as God gives me strength.

**Leader:** Will you endeavor to live a life of love within your family and in the community, and so draw others to Christ through your example as well as by your word?

**Candidate:** I will make it the purpose of my life to live for Jesus Christ, and I ask your prayers, and the prayers of this church, to assist me in this ministry.

**Leader** (to the congregation): Have you, members of *the Church name*, carefully considered the qualifications of *Name* as minister to this assembly of Christians, the community, and overall as a servant of Christ?

**Congregation:** We have.

**Leader:** Are you satisfied that he/she will be a worthy messenger and representative of the Lord Jesus Christ?

**Congregation:** We are.

**Leader:** Are you willing that he/she should be blessed into the ministry within this community and to the *Church name*?

**Congregation:** We are.

**Leader:** Do you as members of this congregation promise to be honest with and supportive of *Name of pastor, spouse, and family* (as appropriate) as they have been called into the ministry of this church?

**Congregation:** We do.

**Leader** (to spouse of candidate): Having heard the charge placed upon your spouse, his/her words of devotion, and the promised words of cooperation given by the congregation, will you, *spouse (and children)*, vow to be supportive and understanding of your husband (and father)/ wife (and mother) during those difficult times in which he/she seems to be growing weary with the great task which lies before him/her?

**Spouse of Candidate:** I will.

#### **THE LAYING ON OF HANDS:**

**Leader** (to candidate and spouse): You have declared your purpose to give up your life and live in the service of Jesus Christ, and have received the approval of this church. In order that you may be formally set apart for this holy calling, will you now kneel and receive the laying on of hands as we ask the blessing of God upon this ministry.

(The candidate and his spouse kneel as the leader, board member, ministers, family and friends lay their hands upon their heads.)

#### **THE INSTALLATION PRAYER:**

#### **HOLY COMMUNION**

#### **MINISTRY OF MUSIC:**

#### **PASSING ON THE MINISTRY OF THE WORD:**

(Turning over of the tasks involved in the ministry of the Word by placing an open Bible into the candidate's hands and giving a special charge.)

#### **SPECIAL MUSIC:**

**HYMN:** (or Chorus—congregation stands)

**MINISTRY OF THE WORD:** (Guest, local congregational leader, other area pastor, significant national or local leader)

#### **HYMN OF CHRISTIAN PURPOSE:**



## **A CHARGE TO THE PASTOR:**

**(An example of a pastoral charge)**

The church is the family of God, the body of Christ, and the temple of the Holy Spirit. All saved people are called to make Christ known as Savior and Lord, and to share in the renewing of his world. Now you, *name of candidate*, are called to serve as the *XXth* pastor of *Name of Church of God*. You take your place in the line of pastors who have served this congregation since the year of the church's founding: *names of previous pastors*.

As pastor, you are called upon to *be* something and to *do* something. There are these two aspects of ministry: *being* and *doing*. Of the two, *being* is more important than *doing*. *Who you are* is infinitely more important than *what you do*. The most effective pastors are those who walk close to God, whose hearts are clean, whose motives are pure, whose lives are characterized by integrity. I have no way of knowing why any member of this congregation voted to call you as pastor, but I do know why I voted that way. I cast my ballot to call you as my pastor because I have known your heart for almost thirty years; I know *who you are*. *Who you are* is more important than *what you do*. In the few weeks you have been with us, you have already demonstrated *who you are* by the support you've given our youth by going to their swim meets and basketball games. You went, not because it was a good thing to do, but because of who you are. *Being* is more important than *doing*.

Having said that, I move on to consider some of the *doing*. It is your duty to proclaim by word and deed the Gospel of Jesus Christ. You are to love and serve the people among whom you work, caring alike for young and old, strong and weak, rich and poor. You are to preach, to declare the whole counsel of God, to pronounce God's blessing, to teach the people of God, and to support the leaders of this congregation's various ministries. In all that you do, you are to nourish Christ's people from the riches of his grace, and to strengthen them to glorify God in this life and in the life to come.

The most public aspect of your ministry as our pastor will be the sermons you bring on Sunday morning. We anticipate that your presence among us will continue to attract a growing number of worshipers. Help us to help them worship God in spirit and in truth. As they continue to come, may it be to worship and serve the Lord, and not to suit their own desires, hearing what itching ears want to hear. Knowing your heart as we do, we invite you not to preach to us, but to preach among us. The best preaching is that which arises out of the life of the people. It's not just what you say, but what all of us together say.

You have heard the promises made by the members of this congregation. We believe that God has called you to be our pastor at this particular time in our history. We pray for you as you commit yourself to this trust and responsibility. We ask you to respect and be guided by the wisdom that God has already given to members of this congregation. We expect you to continue diligently reading and studying the Holy Scriptures, seeking the knowledge of such things that will make you a stronger and more able minister of Christ. We invite you to proclaim the Word of God so that the reconciling love of Christ may be known and received by all. We ask you to be a faithful pastor to all whom God has called you to serve, laboring together with us to build up the body of Christ. We give thanks that you pattern your life in accordance with the teachings of Christ, so that you may better lead us in being holy examples to this

community. We need you to persevere in prayer, both in public and in private, asking God's grace, both for yourself and for others, offering all your labors to God, through the mediation of Jesus Christ, and in the sanctification of the Holy Spirit.

May the Lord who has given you the will to do these things give you now the grace and power to perform them.

### **COVENANT OF INSTALLATION**

**Assembly or State Representative:** You have come together in worship this afternoon to consider your common mission and ministry as God's chosen person and people. You have heard the Scriptures and the message of challenge. I now invite you to enter into a covenant of installation. Will the members of this church please stand and responsively repeat your covenant with your minister.

**Pastor:** I have been called by God to be a minister of the gospel, and I come to you, ready to be your pastor in his power and strength.

**Congregation:** We have been called by God to be the church, the body of Christ, and we welcome you and your family and receive you as Christ's ministers and as ours.

**Pastor:** I covenant with you to be your preacher and teacher, to speak to you the Word of God as it comes to me through the Scriptures and reason, through my experiences in the community of faith and the community of humankind, and as it comes to me by the inspiration of the Holy Spirit.

**Congregation:** We covenant with you to be seekers after the Word of God, to be earnest hearers and diligent students, searching always for God's will in our lives, believing always there is yet more truth to come from his living Word.

**Pastor:** I covenant with you to be your pastor and your friend, your counselor and companion in both the agonies and the ecstasies of life, the sorrows and the joys, the defeats and the victories, sharing regularly with you in the ministry of prayer.

**Congregation:** We covenant with you, and with one another, to both share with you and to support you in our common ministry and pastoral concern for our members and all others such as God would lead to us. We will pray regularly for you, your spouse, your children, and for one another.

**Pastor:** I covenant with you to teach you of the grace and acceptance of God, to speak not only of the prophetic word of judgment, but to speak even more of the word of love and forgiveness. I will, God helping me, encourage you to maintain all faith, hope, and love in your personal lives, and to strive for the love and justice of the kingdom of God in your life, in your family, and in this community.

**Congregation:** We covenant with you to strive, God helping us, to be a community of grace, to receive God's word of forgiveness. We will support you in our common cause for love and

justice in our community and our world, striving always to be a mission-minded people, upholding wherever we have the opportunity, the cross of Christ and his reconciliation.

**Pastor:** With a heart filled with thanksgiving, I accept my call from you as a call from God. I regard it as a great honor and high privilege to enter into this covenant and relationship with you. My wife supports me in this affirmation of ministry. I humbly present myself to you, in the name of Christ our Lord, for formal installation as your pastor for as long as it seems good to all of us and to the Holy Spirit.

**Congregation:** After careful consideration and much prayer, we have called you to leadership. We sincerely believe this is the call of God. For our common mission and ministry we pledge our faithful support with our prayers, abilities, and money. Therefore, in the name of the Father, and the Son, and the Holy Spirit, we do formally install you as our pastor for as long as it seems good to all of us and to the Holy Spirit.

**Pastor and Congregation:** May God bless all of us, enlarge our territory, may his hand be with us, and may he keep us from doing evil so that we will not cause pain. Amen.

**Assembly or State Representative:** Please remain standing for the Prayer of Confirmation

## CHARGE TO THE PASTOR

To accept a call to serve as pastor is to accept a call to serve as shepherd. It is a call to lead. It is a call to protect. It is a call to courage. And to love.

It is a call to sacrifice.

It is a call, like no other—to reflect the very Person and Spirit of Christ. To accept the call to serve as pastor is to accept the highest calling.

Such a call cannot be fulfilled without standing by three primary commitments, each in turn, each following the other.

**First, a pastor must walk with Christ.** He/She must be absolutely and unequivocally devoted to standing in the shadow of the Master. A pastor must tune his/her heart to hear the Lord's voice and fix his/her gaze on Jesus only. A pastor must embrace Jesus as both Lord and Savior, as Teacher and Friend, as Companion and Captain. About this there must never be a question.

*Do you, pastor's name, reaffirm here today your commitment to Christ?*

**Second, a pastor must love his/her spouse as Christ loved the Church.** He/She must honor his/her family and provide for his/her children both a model of Christian personhood and a home that remains always a sanctuary. He/She must devote himself/herself to being the husband/wife and father/mother God has destined him/her to be:

*Do you, pastor's name, reaffirm here today your commitment to prove your love to Christ by the way in which you love your family?*

**And third, a pastor must love his/her people.** He/She must watch over them and guard them. He/She must stand up for them and defend them. He/She must challenge and provoke them to good works and faithfulness. He/She must walk ahead of them and, at the same time, walk with them. He/She must always draw them near to Christ and cause them to ask, "What would Jesus do?" He/She must pray for them, care for them, and love them; he/she must be willing to deny himself/herself for them. He/She must help them to see themselves by heaven's light and inspire them to see the world as God purposed it to be. He/She must be devoted to his/her wholeness by the witness of his/her own holiness.

*Do you, pastor's name, here today accept such a call and promise to serve this wonderful people of God as their pastor?*

Well, then, I charge you this day, *date*, as a fellow minister of the Gospel of Jesus Christ and on behalf of the Church of God, to be faithful to your calling. May God hold you close, always, prosper the work at name of church, entrusted to your care, and give you peace and wisdom, for Jesus' sake. Amen.

## CHARGE TO THE CONGREGATION

Having called *pastor's name* as pastor, we as a congregation now have the solemn and joyous responsibility to be joined in partnership with him/her, having confidence that God will carry forward the good work now initiated in this new relationship.

*I charge us, therefore, as the church's name congregation ...*

- to pledge to *pastor's name* our prayerful interest, our sympathetic understanding, and our faithful support
- to promise to hear attentively his/her preaching of the Word
- to share with him/her in the responsibilities of teaching and learning
- to participate reverently in the services of worship
- to counsel with him/her concerning the welfare of the church
- to receive him/her and his/her family into our hearts and homes
- to encourage him/her in his/her stand for the right
- to forgive him/her when he/she makes mistakes
- to follow his/her leadership as he/she follows Christ.

*I further charge us ...*

- to consecrate our time to the teaching of Jesus' way of life
- to consecrate our talents to the leading of children, youth, and adults to the knowledge of the love of Christ
- to consecrate our service to the healing of broken bodies and the soothing of troubled minds
- to consecrate our strength to the caring for helpless persons and the relief of all who look to this congregation for help and hope
- to consecrate our possessions, our efforts, and our lives to the evangelization of the community and the worldwide extension of the Kingdom of God.

Response: *We, the church's name congregation, respond joyfully to this charge and strongly affirm our partnership with pastor's name and family.*

To these ends, may the grace and peace of God be abundantly ours.

## CHARGE TO THE COMMUNITY

The scriptures of the church reveal and the church's mission indicates God's connection and engagement with his creation—God's compassionate love extending to every dimension of human affairs, renewing and restoring all those created in God's image.

As *pastor's name* and the *church's name* Church of God embrace the godly vision that every believer be *connected, empowered, and engaged*, we welcome opportunities therefore to participate in acts of compassion in the world. While the church locates its ultimate loyalty in the Lord Jesus Christ—as his ambassadors in the world—we gladly affirm an openness to oth-

ers in our community as being fully consistent with God's loving and transforming mission.

Therefore,

***To other Local Congregations and their Leadership***We pledge to you, brothers and sisters in the Lord, our willingness to experience with you the unity of all believers—fulfilling Jesus' prayer that we all may be one.

***To the numerous Social Agencies in this City:*** We offer our continued cooperation in joining with you in meeting the needs of broken humanity, intervening in redemptive ways to both young and old, the poor and the wealthy, the sick and the healthy, and to all ethnic groups and nationalities.

***To our Political Leaders and Governmental Units***We also affirm our promise to support all causes that promote justice for and solidarity with all persons in this community. And, above all, we accept our responsibility to pray for all leaders of our government and other institutions.

***To the Members of the Educational System:***We intend to discover creative and faithful ways to make a difference in the lives of our young people and their families, and to the teachers and administrators.

Hence, we, *the church's name*, will earnestly seek your cooperation. We invite you to participate with us in our desire to dream again—to live out the vision of God for the world right here in the city community.

Will you who are present today, as community representatives, accept our invitation to join us in ministry to this community? Will you also consider us to join you in those areas for which we share similar concerns?

**Response:** We will.

## **CHARGE TO THE PASTOR AND THE CONGREGATION**

Scripture informs us of the awesome responsibility for pastoral leadership within the life of the Church of God. *Pastor's name*, you have been called by God and affirmed by your colleagues in ministry. Today, we have gathered at the *name of Church of God* to celebrate your call to pastoral ministry in this community.

### **Charge to the Congregation**

Today's installation is actually that of a partnership in service. You are a congregation of ministers and your charge is to accept your individual responsibilities to spread the Good News of Jesus Christ. Striving for the exemplary Christian experience is not exclusive to the position of the pastors; it is a charge for all. Avoid pedestals by acknowledging the humanity of your pastoral team. Expect great things from them, yes, but from yourselves as well.

### **To the Pastor and the Congregation**

As pastor and people, we charge you to affirm your commitment in the presence of God and with the people of the name of church. *Name of pastor*, if it is your intention to provide pastoral servant-leadership, and members of the congregation, if it is your intent to unite yourselves under the leadership of *Name of pastor*, please answer, I WILL, to the following questions.

***Pastor's name:***

Will you reverently and sincerely commit yourself to serve this church and this community in such a way that the Holy Spirit will be honored, Jesus Christ will be proclaimed, and God will be glorified?

**Pastor:** I will.

***Congregation:***

Will you reverently and sincerely commit yourselves to serve this church and this community in such a way that the Holy Spirit will be honored, Jesus Christ will be proclaimed, and God will be glorified?

**Congregation:** We will!

***Pastor's name:***

Will you sincerely endeavor to maintain a Christian home, live an exemplary family life, and challenge the families of this church to walk with Christ?

**Pastor:** I will!

***Congregation:***

Will you sincerely endeavor to maintain your home as Christian, live an exemplary family life, and challenge the members of your family to walk with Christ?

**Congregation:** We will!

***Pastor's name:***

Will you study to show yourself approved unto God, to meditate regularly, to preach the Word, and to teach the truth so the people may be protected from false doctrine and error?

**Pastor:** I will!

***Congregation:***

Will you endeavor to be students of the Word, to meditate regularly, to frequent the worship services, and to submit to pastoral instruction so as not to be tossed about by winds of false doctrine and error?

**Congregation:** We will!

***Pastor's name:***

Will you faithfully and diligently perform your pastoral duties to equip the people of this church for the work of service, the task of ministry, and the call of mission?

**Pastor:** I will!

***Congregation:***

Will you be open and responsive to pastoral ministry, the equipping and training ministries of the church, for the work of service, tasks of ministry, and the involvement of cross-cultural mission?

**Congregation:** We will!

***Pastor's name:***

Will you protect your own person as a citizen in the kingdom of God by paying attention to physical relaxation, intellectual stimulation, emotional well-being, social engagement, and moral stability?

**Pastor:** I will!



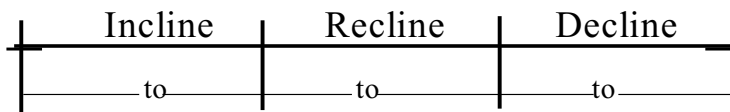
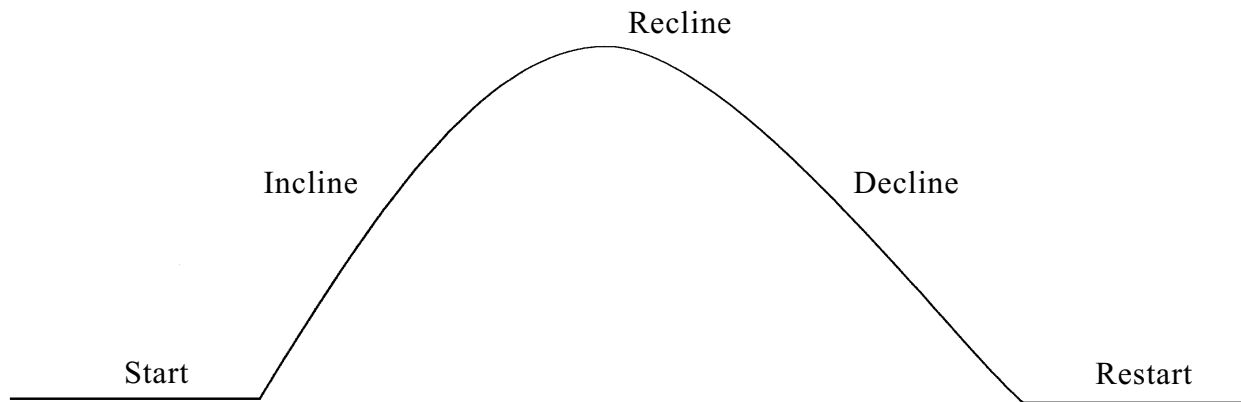
***Congregation:***

Will you give timely affirmation to the protection of your pastor by support and encouragement of his attention to physical relaxation, intellectual stimulation, emotional well-being, social engagement, and moral stability, while recognizing these same needs for yourself?

**Congregation:** We will!

***Pastor and Congregation:***

May the Almighty God who has called you to the ministry of his Word and the service in his church grant strength and wisdom for the task. As God has given you the will and desire for ministry, we, your brothers and sisters in Christ, pledge to you our support and prayers. Amen.



*Distinctive Characteristics*

Incline	Recline	Decline
FUTURE ORIENTED	PRESENT ORIENTED	PAST ORIENTED
VISION DRIVEN	PROGRAM DRIVEN	STRUCTURE
COMMUNITY FOCUSED	CONGREGATIONAL FOCUSED	CORE FOCUS
INNOVATIVE	MANAGERIAL	CUSTODIAL
HIGH RISK	LOW RISK	NO RISK
INVESTOR	SUSTAIN	PRESERVER
NEW LEADERSHIP	ESTABLISHED LEADERSHIP	INCUMBENT LEADERSHIP
CONVERSION GROWTH	TRANSFER GROWTH	NO GROWTH
SERVE ACCORDING TO GIFTS	SERVE TO FILL SLOTS	SERVE BY DEFAULT

# **GUIDELINES FOR PULPIT COMMITTEES**

## **I. CELEBRATE YOUR PRESENT MINISTRY**

1. Celebrate and honor the ministry that you have shared.
2. Be positive and affirming.
3. Be as generous as possible.
4. Enter a new chapter of your history with reverence.

## **II. THE ROLE OF THE PULPIT COMMITTEE IS VERY IMPORTANT!**

1. Know your bylaws! Abide by them!
2. Remember that you are servants of the whole church. The key is to unify the congregation in a search for God's will.
3. Maintain uplifting and challenging worship services.
  - a. Pulpit supply ministers are available.
  - b. Interim ministers are beneficial for future development of the congregation.
4. Proceed with the selection process.
5. Your task continues after the pastor arrives.
  - a. Plan an installation service with the new pastor.
  - b. Build relationship bridges to effective ministry.
6. Communicate with the Board on budget, moving costs, salary package and other financial details. Don't promise more than you can deliver.
7. Select a pastoral advisor with assistance from the Service Center. They will give guidance and information. Pay expenses only.

## **III. STEPS TO SUCCESSFUL PASTORAL SELECTION**

1. Congregational assessment is essential.
  - a. A congregational profile is helpful.
  - b. A mission statement and ministry goals are the context for what the church expects to accomplish for God.
  - c. A brief self-study should focus on present needs and opportunities for ministry.
  - d. Establish criteria for selection of next pastor.
2. Keep the congregation involved continuously.
  - a. A vote of ratification may be necessary to form a basis of trust.
  - b. Plan for a service of dedication for the Pulpit Committee.
  - c. Find creative ways to enlist prayer support.
  - d. Provide for congregational input as to what individuals see as important qualities needed in a pastor.
  - e. Report at each step of the process. An outline of the process is often needed. Confidentiality is necessary.

3. Keep the church-at-large informed.
  - a. The Service Center, Lansing, 517-393-7020, 800-369-5890, [micog@micog.org](mailto:micog@micog.org).
  - b. Congregational Ministries, Anderson.  
(Ryan Chapman, 800-848-2464)
  
4. The Selection Process Takes Patience and Time!
  - a. Write to those you wish to inform.
  - b. Receive resumes from the Service Center.
  - c. Screen all resumes carefully especially those which are unsolicited.
  - d. Narrow the field to 4 or 6 possible candidates according to the criteria and needs which you have established.
  - e. Immediately check on the candidate's availability by telephone. Proceed to investigate by phone, letter and personal interview.
  - f. After prayerful deliberation, select one candidate that your spirit and mind tells you is God's will.
  - g. As much as possible, keep all candidates informed.
  
5. Assessing a candidate is a difficult task.
  - a. Check personal references.
  - b. You may want to double check with the Service Center and the Congregational Ministries.
  - c. Inquire of other trusted sources.
  - d. IMPORTANT: If the candidate is from outside of Michigan, call the Credentials chair or state assembly chair.
  - e. Request a tape recording of service in which the candidate is preaching or leading in worship. Or you may make a visit to the candidates church. You are looking for compatible style.
  - f. Written response to specific questions or a statement of philosophy of ministry may be desirable.
  - g. A personal interview should be mandatory. Prepare well for this occasion.
  
6. Present the candidate thoroughly preparing the congregation.
  - a. Respect the integrity of the process by making it a mutual decision at each step.
  - b. Prepare informational material for the congregation.
  - c. The visit to the congregation should include leading worship, preaching, meeting with leaders and informal social events.
  - d. Plan an exit interview.
  - e. Call for a vote of the congregation according to the bylaws if there is mutual agreement.
  - f. Report the result of the vote to the candidate and give time for prayerful response.
  - g. Celebrate when the church extends a call to the new pastor.