

## **Clergy Housing Policy**

Adopted: 2026

*All ¶ refer to The Book of Discipline of the United Methodist Church 2020/2024*

In the United Methodist Church, housing is provided to clergy. All full-time clergy appointed to a full-time charge or a full-time Conference-responsible extension ministry shall be provided either a parsonage or a cash housing allowance in lieu of a parsonage. For less than full-time pastors, housing is a component of compensation to be negotiated between the pastor, the church and the Conference Superintendent.

While the parsonage remains the normative provision of housing, some parishes prefer to offer, and some clergy prefer to receive, a housing allowance instead. The complexities of contemporary economics, local church resources and pastoral households make it less likely that a “one size fits all” housing provision best meets the needs of every situation. Local churches and clergy both need to carefully weigh the advantages and disadvantages, especially if considering a change from one to the other.

### **A. Values and Considerations**

The Dakotas Annual Conference of The United Methodist Church believes that congregations and clergy benefit when clergy and their families live in buildings which are safe, clean, comfortable, and as well-kept as the average home in their community. It is required that clergy housing will meet all applicable local and state residential codes. As faithful stewards of the earth and other limited resources, congregations and clergy are encouraged to make clergy housing as energy efficient as possible. In order to be as welcoming as possible, consideration should be given to making clergy housing accessible to residents or guests with mobility challenges.

Local churches may prefer to provide a housing allowance for a variety of reasons: less property to maintain and repair, more predictable budget implications, and no “landlord” issues with their pastor. Likewise, clergy households may prefer a housing allowance for other reasons, such as: accumulation of equity, allowance for differing clergy household needs, ability to reside in a desired location, freedom to renovate and refurbish as desired, and no “tenant” relationship with parishioners.

However, it is also to be acknowledged that tension may exist between the appointive/ itinerant system of clergy deployment and the housing allowance system. Pastoral appointments are made on an annual basis at the will of the bishop. The financial advantage to long-term clergy home ownership may be at odds with a short-term need or desire for a pastoral transition.

It must be understood by all that the provision of a housing allowance or parsonage shall not be a primary consideration by the bishop and cabinet for future appointments for the pastor. Further, a local church that has a parsonage available to the pastor is under no obligation to provide a housing allowance if that pastor desires to live in a different location. However, if a clergy does not want to or is unable to purchase their own home with a housing allowance, a church is required to provide a parsonage, rented or purchased, for housing.

### **B. Parsonages**

#### **1. Relationships and Responsibility**

“The parsonage is to be mutually respected by the pastor’s family as the property of the church and by the church as a place of privacy for the pastor’s family.” (¶258.2.g.16)

The chairperson of the Staff-Parish Relations Committee, the chairperson of the Board of Trustees or the chairperson of the Parsonage Committee, if one exists, and the pastor shall make an annual inspection and review of the church-owned parsonage to assure proper maintenance. (¶2533.4)

The church shall provide a parsonage which addresses the values noted above and the standards listed below. Standard maintenance and repairs, and renovation of the parsonage are the responsibility of the church. The Trustees or Parsonage Committee shall arrange, supervise, and arrange payment for such tasks. Necessary work shall be scheduled in consultation with the pastor. The church and the pastor shall work together to develop a process to assure timely, good quality repairs and maintenance.

- The church, in consultation with the pastor, is responsible for lawn care, snow removal and regular carpet

cleaning.

- The church shall pay for insurance, heat, electricity, garbage and trash removal, water and sewer, basic telephone service (landline or cell), internet and installation fees for cable or satellite television service if broadcast reception is inadequate.
- Parsonages with a wood burning heat source must have a professional chimney inspection (and cleaning if necessary) at least every 2 years.
- The pastor shall furnish the house to suit his or her needs.
- The pastor is responsible for notifying the church about necessary repairs as the need arises.
- The pastor is responsible for the repair of damages exceeding normal wear and tear.
- The pastor shall be financially liable for any damage to the parsonage above and beyond normal wear and tear, including damage from pets
- The pastor shall pay for upgraded services beyond those required or provided by the church.

If a pastor is appointed to serve more than one local congregation, all congregations shall share equitably the costs and other responsibilities of providing a parsonage. If more than one congregation has a parsonage, the parsonage of residence shall be determined by the Conference Superintendent in consultation with the appointed pastor and the congregations.

If a parsonage is occupied by a clergy couple serving different appointments, all congregations served shall share equitably and reasonably the costs and responsibilities of providing a parsonage. The parsonage of residence and shared cost responsibilities shall be determined by the Conference Superintendent in consultation with the appointed pastors and affected congregations.

Adherence to this policy by both clergy and congregation is essential to the appointment covenant. Failure to adhere to this policy by either clergy or congregation may jeopardize current and future appointments.

## **2. Parsonage Standards**

Parsonages shall have at least 3 bedrooms, 1.5 bathrooms, a kitchen, dining room, living room, laundry facilities, appropriate storage capacity, and provision for 2 parking spaces. All shall be in good repair and meet all applicable local and state health and safety codes. The parsonage shall be at least the size of the average home in its community.

The church is responsible for providing a furnished office or study for the pastor. While it is preferable to locate this office in the church or another church building, if necessary, it may be a separate, additional room in the parsonage. If the Pastor's primary office is located in the parsonage, it must have its own, separate, outside entrance and unencumbered windows, in accordance with Safer Sanctuary policies.

## **3. Rooms and Spaces**

- a. Bedrooms should be large enough to contain a bed, adequate storage for clothing (dresser and closet), and a desk and chair or a reading area. If two-story, one bedroom shall be on the ground floor.
- b. Bathroom facilities shall include: a toilet and sink on each floor, a tub, a shower, a medicine cabinet, and storage space for linens and supplies in or near the main bathroom. It is preferable to have at least 2 complete bathrooms. If two story, one complete bathroom on the ground floor.
- c. The kitchen shall contain at least: a standard size stove and oven, a refrigerator with freezer, a dishwasher, built-in cabinets or pantry, a full-size sink, adequate counter space, and wall and floor finishes which can be kept clean.
- d. Living and dining rooms should be large enough to accommodate 4-6 residents plus guests. A combined living and dining room is acceptable if large enough to fully accommodate both functions.
- e. Laundry facilities shall be accessible from the interior of the house and include: an automatic washer and dryer, and storage for supplies. It is preferable to be able to conceal the laundry area and even better to have a separate laundry room with a sink and space to sort and fold. It is preferable to have these facilities fully

accessible and on the ground floor.

f. Parking shall be off-street, preferably in a garage located on the parsonage property.

#### 4. Systems

a. *Heating, Ventilation, and Cooling* - The parsonage shall be equipped with central heating capable of maintaining a consistent temperature in all rooms. Windows shall be in good repair and operable to provide adequate ventilation. Full bathrooms should have adequate ventilation to prevent excessive moisture build-up. Adequate cooling system is required; it is preferable to have central air conditioning.

b. *Electrical System* - Wiring, outlets, and fixtures should be safe and adequate to meet the lighting and technology needs of a modern household.

c. *Water* - Hot and cold, potable, running water shall be available in the kitchen, bathrooms, and laundry area in amounts suitable to the needs of a family. In areas with hard water, water softeners shall be installed and maintained. Leaks of any kind are not acceptable.

d. *Safety, Security, and Environment* - Parsonages shall be equipped with properly maintained CO detectors and smoke alarms, and have fire extinguishers in kitchen, furnace room, near fireplaces, pellet stoves or wood stoves, and near bedrooms. Radon testing shall be done periodically and remedial measures taken if necessary. Visible mold and moldy odors shall not be present.

Where necessary for the safety of children and/or vulnerable adults, yards and outside spaces shall be adequately enclosed. Entrance lights shall have switches by the door, be motion activated, and/or be operable remotely. All parsonages shall be equipped with secure locks/deadbolts. If there are further safety concerns, the pastor and the church may wish to explore installing an alarm system.

e. *Communications* - The parsonage shall have a reliable telephone system (landline or cell), adequate TV connection and internet access.

f. *Interior finishes* - Floors, walls, and fixtures shall be in good condition with coverings which are suitable for the function of the room and in good repair.

g. *Exterior* - The roof, exterior walls, exterior doors, windows, and foundation of the parsonage shall be carefully maintained to keep out the elements, pests, and to conserve energy. The house shall be adequately insulated. It is preferable to have energy efficient doors and windows that suit the architecture of the house as much as possible.

i. Porches and decks shall be maintained to ensure their safety. Exterior faces and spaces of the building(s) and yard shall be designed and maintained to be functional for the clergy, and to be a pleasant addition to the community.

#### 5. Waivers and Exceptions

If the minimum standards described above cannot be met because of the age or historic character of the house, the charge must propose alternatives which afford an equivalent quality of life to that set by these standards. Any such changes must be approved by the Cabinet and the Conference Board of Trustees. It is understood that such changes will not compromise the safety provisions of these standards, the overall functionality of the parsonage, or the mandate that it be kept in good repair. It should be noted that the accessibility preferences described above are mandated when purchasing or building a new parsonage. (§2544)

#### 6. Transition Protocols

Prior to a pastor's move, the outgoing pastor, the chairperson of the SPRC, and the chairperson of the Board of Trustees and/or the chairperson of the Parsonage Committee or their designates shall inspect the parsonage so that the congregation can plan necessary maintenance and repairs, noting any excessive damage caused by outgoing resident and/or pets. Disputes between the pastor and the local church concerning the parsonage shall be referred to the Conference Superintendent for negotiation and settlement.

If excessive damage is found, it will be the responsibility of the outgoing pastor to repair, pay for repairs of, or replace the damaged item(s) in accordance with the settlement. If it is discovered that a pastor or family has

allowed smoking within the parsonage, the cost of professional cleaning, and purchase of an air purifier, if necessary, to remove smoke odor will be the responsibility of the outgoing pastor.

The outgoing pastor shall leave the parsonage in good order by performing a basic cleaning (i.e. vacuuming carpets, cleaning bathrooms and wiping down surfaces). The charge shall refurbish, repair and thoroughly clean the parsonage prior to a new pastor moving in. Damaged walls, ceilings, floors, windows, fixtures and appliances shall be repaired or replaced. Painted surfaces shall be cleaned or repainted. Carpets shall be thoroughly steam cleaned or replaced; replacement is required if the carpet is torn, excessively worn, or permanently stained. Windows shall be cleaned inside and out.

In the event that such work requires that the incoming pastor must make temporary living arrangements, related expenses will be paid by the receiving church. It is recommended that a photographic record of house and yard, including each room's condition and contents, be created and filed for reference and planning purposes.

## **7. Parsonage Value in Compensation Packages & Clergy Couples**

When a parsonage is provided, it will be valued at 35% of base salary for benefit computation purposes. In a multi-church appointment, this factor is added to salary for all churches served by the pastor, regardless of which church owns the parsonage in which the clergy person lives.

- a. When only one of the clergy spouses is furnished a parsonage, the clergy who is furnished the parsonage has the value of the parsonage (calculated as 35% of base salary) added to their base salary to determine 'retirement plan compensation' for the purpose of calculating the church's matching retirement plan contributions
- b. When one spouse is furnished a parsonage and the other a cash allowance, the one furnished the parsonage will use the parsonage value calculated as 35% of base salary and the other will report the actual cash housing paid.
- c. When two parsonages are furnished, each spouse claims the parsonage value as 35% of base salary.
- d. When neither is furnished a parsonage, the actual cash housing allowance may be counted by the person/or persons receiving the allowance.

## **C. Housing Allowance**

In the event that an appointment has already moved to providing a housing allowance for their pastor and a parsonage is no longer available, the charge will negotiate an appropriate housing allowance as described below. If the incoming pastor does not desire a housing allowance, the charge must provide a parsonage, rented or purchased, for the clergy.

A housing allowance enjoyed by a pastor appointed to charge "A" will not necessarily translate into a housing allowance for that same pastor when s/he is appointed to charge "B." Housing allowances shall exist in accordance with the following policy or successive policies as determined by future sessions of the Annual Conference:

1. The housing allowance policy will be in effect from the time the charge moves from providing a physical parsonage to a housing allowance for the current pastor or an incoming pastor.
2. Charges that elect to provide a housing allowance shall do so at a charge/ church conference chaired by the Conference Superintendent or designated elder after and only after following the steps outlined in item #3 below.
3. The annual housing allowance shall be figured between 25%-40% of the CAC (Conference Average Compensation). In determining the appropriate percentage, the following factors are to be considered in this order:
  - a. The radius around the church where the pastor will live
  - b. The average cost of homes in that area that meet the Annual Conference standards
  - c. The property taxes and insurance costs in that housing area
  - d. The current standard interest rate for a 30-year mortgage. The amount of a housing allowance

should cover the fair market rental cost of a home in that community that meets Annual Conference standards. For pastors of local churches, the housing allowance must be set annually by the church/charge conference.

4. For the rental of a home (house, apartment, condo, etc.) by the pastor: The housing allowance shall be determined in accordance with #3 and guided by parsonage standards. In the event that the appointed clergy chooses to expend less in a rental circumstance s/he shall be afforded the opportunity to save and invest the difference for the eventuality of providing housing for herself or himself in retirement. This provision provides for the near equivalent opportunity for the pastor to accumulate something akin to equity over the life of the housing allowance. By the same token, should the clergy choose to rent a home more costly than a home that meets the parsonage standards, the charge shall not be responsible for the additional costs associated with that choice.
5. A charge may use the annual income and capital gains from the sale of a parsonage over the rate of inflation to help support the housing allowance. Usage of the parsonage fund must follow ¶2543.
6. The conference requires a charge to keep 25% of a parsonage sale for a future down payment, should they receive a clergy requiring a parsonage instead of a housing allowance.
7. All current IRS regulations shall be met for both recording and reporting purposes.

#### **D. Housing Exclusion**

1. **"Pastors may be eligible for certain federal tax benefits related to clergy housing while residing in a parsonage or in their own home. Clergy-housing benefits are not exempt from self-employment tax. Each pastor is solely responsible for understanding, documenting, and complying with current IRS clergy-housing regulations, including reporting, recordkeeping, and tax-filing requirements. (See IRS Tax Code Section 107)"**

#### **E. Recommended Process for Parsonage Inspections and Reports**

Annually (Spring): The pastor and at least one of the following church representatives (a designated representative of the Trustees, PPRC, or Parsonage Committee) should perform a parsonage inspection.

When a pastoral move is known, the clergy and church shall follow the moving procedures of the Annual Conference related to the parsonage and inspections.

Prior to Charge/Church Conference (late summer/early fall): The Trustee's designated representative and the Pastor shall complete the Parsonage Report and submit it to the annual church/charge conference.