

Clergy Compensation Written Instructions

If you have any questions or would like a walk through, please contact:
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First 2 Things You Will Want To Do:

- **Click on File and Download.**
 - **Save the document** as soon as you open it, before editing.
 - Use the SAVE AS option and save as LAST NAME, FIRST NAME_YEAR
 - This keeps the original template intact in case any formula is changed.
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Basic Information (Green)

- Enter the **effective date**.
 - Enter the **clergy's last name and first name**.
 - Enter the **appointment (charge or charges)**:
 - If **one charge** → type the charge name.
 - If **multiple charges** → type the names separated by a dash.
 - Example: *Denton-Delta-Duluth*
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Clergy Appointment Details (Orange)

- This section records your clergy's:
 - Relationship
 - Appointment Status
 - Housing
 - Retirement Plan
 - HealthFlex
- Each item is a **drop-down menu**:
 - Click the **orange box**.
 - Click the **arrow** on the right.
 - Select the correct option.
- Once selected, the worksheet will **automatically calculate the Pension and HealthFlex Direct Bill**.


Church/Charge Information (Multi-colored)

- Enter the **charge name**
 - Enter the **charge number** (use the “**See Charge Number**” link if needed).
 - Enter the **percentage** of clergy appointment for each charge.
 - The worksheet will automatically calculate the **cost per charge**.
 - If your clergy is part of a **parish**, enter the parish name in the **Parish cell** (turquoise).
 - You will use the Parish column again in the next two sections.
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Compensation (Purple)

- Enter the \$ amount for **Clergy Compensation** (use the “**See Equitable Compensation**” link if needed).
- **Housing Allowance** – this number will be zero if the clergy lives in a church/parish parsonage or the church/parish is directly paying for the rent of the clergy home.

Benefits – Accountable Reimbursement Plan (Purple)

- Enter the \$ amount for **Travel Expenses** (use the “**See Resources**” link if needed).
- Enter the \$ amount for **Continuing Education**
- This year we have a new ARP line: **Vocational Formation**. The \$500 is for your clergy to use for ministry coaching, spiritual direction, and reflective supervision to assist in their overall wellbeing.
- Enter the \$ amount for **Other Reimbursed Expenses** (use the “**See Resources**” link if needed).
 - The worksheet will automatically divide the **purple cells** into each **grey cell** column based on the **percentage of each charge**.
 - If the percentage is correct and no changes are needed, do **not** type over the grey cells.
 - If your clergy has multiple charges and the division is by **\$ amount (not percentage)**:
 - Type the correct \$ amount directly into the **grey cell**.
 -  *Note: This will remove the formula in that cell.*

Parish Column (Turquoise)

- **Check the box** if the parish (joint fund) is responsible for paying any line 1-6.
- **Leave the box blank** if each individual church is responsible for paying that item.

Direct Billing (White)

- The **Direct Billing amounts** will automatically populate from your dropdown selections.
- You do **not** need to enter anything in these boxes.
- The amounts are calculated based on:
 - Clergy membership
 - Appointment status
 - Housing
 - Participation in Compass
 - HealthFlex
 - 2025 Dakotas Annual Conference Journal

Parish Column (Turquoise)

- **Check the box** if the parish (joint fund) is responsible for paying the direct bill.
- **Leave the box blank** if each individual church is responsible for paying the direct bill.

Housing Exclusion (Purple)

- Ask your clergy person what they would like to designate in this section. According to Section 107 of the Internal Revenue Code, clergy may designate a portion of their salary for housing. This designation **MUST** be included in the official minutes of the Church or Charge Conference which approves the dollar amount. There is no extra cost to the church/charge for this designation as it is for tax purposes only. For Required Forms: Click the “See Resources” link.

Parish Column (Turquoise)

- **Check the box** if the parish (joint fund) is responsible for payroll and recording the housing exclusion on the clergy W-2 at the end of the year.
 - **Leave the box blank** if each individual church is responsible for payroll and recording their housing exclusion percentage on the clergy W-2 at the end of the year.
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Payroll & Direct Billing

- For each charge responsible for **payroll deductions and direct billing**:
 - **Payroll** – if your charge/parish is responsible for clergy payroll **Check the Box** next to your charge number that corresponds to the charge number in the multi-colored cells above.
 - **Direct Billing** – if your charge/parish is responsible for paying the Healthflex/Pension Direct Bill **Check the Box** next to your charge number.
 - Enter the **name and email** address to the person responsible for each charge.

Witnesses

- The person from each charge who is presenting/approving the 2026 Clergy Compensation Form for the 2025 charge conference should:
 - Type their **name**
 - Provide their **electronic signature**
 - Enter their **title**
 - Enter the **date of approval**
- After **Clergy Compensation Form** is completed and signed by each charge, the **pastor** and **superintendent** will also provide their **electronic signatures and dates** as final approval.
- After completing the form
 - Be sure to do a final SAVE so that any changes are recorded before sending.
- Following the Church/Charge Conference Approval, one person responsible for **payroll** must submit the completed 2026 Clergy Compensation Form via email to:
joann.early@dakotasumc.org

Printing:

- To print the **Instructions** → use **Landscape Orientation** (5 pages).
- To print **Clergy Comp Form** → use **Portrait Orientation** → **Fit All Columns on Page** (1 page).