

Presbytery of Charlotte Committee on Ministry
Guidelines for Pastoral Professional Expenses
(These could also be used for other staff positions)

Please note that all requests for reimbursement should be vouchered. If payments by a church to a pastor for auto use/mileage and business travel, continuing education, professional expenses are not vouchered/documented—those payments should be reported on form W-2 as income; the pastor then has to deduct business expenses from their gross income as allowed by IRS rules.

General Professional Expenses

Professional Expenses are often divided into different line items:

- Mileage
- Continuing Education & Books
- Other items

Sometimes congregational budgets lump all these into a single “professional expenses” line item.

Mileage

Beginning on July 1, 2022, the standard mileage rate is 62.5 cents a mile.

Mileage reimbursement can be claimed for:

- Travel between office and hospitals, office and home visits, office and conferences, office and neighboring church buildings, and comparable travel.

Mileage reimbursement *cannot* be claimed for:

- Travel between home and the office.

Please note: Some clergy leave from home (rather than their office) for hospital visits or home visits or to meetings/conferences. The mileage claim should be, for example, the distance from the pastor's office to the hospital unless the distance from their pastor's residence to the hospital is less.

Mileage is supposed to be contemporaneously documented with a journal, notebook, ledger book, or transcribed notes from a portable device. Also, IRS rules require that a request for reimbursement of mileage and other expenses be made within 90 days of incurring the expense.

Continuing Education

Continuing Education reimbursement can be claimed for:

- In-person retreats and conferences plus housing, meals, and travel
- Online conferences and events
- Spiritual pilgrimages plus housing, meals, and travel
- Work towards professional degrees and certification (e.g. D.Min, PhD, certification in education like community organizing, mental health first aid, non-profit management, etc.)
- Professional coaching, spiritual direction, counseling (that's not covered under medical expenses)
- Books and periodicals
- Membership in professional organizations

Continuing Education reimbursement *cannot* be claimed for:

- Dry cleaning, clothing purchases (although clergy robes, stoles, etc. can be written off as "other professional expenses.")
- Haircuts, massages, and other personal care services
- Vacations, family events

Please note: Continuing education funds may be rolled over for up to 3 years in order to use them for a sabbatical or other continuing education opportunity. The decision to roll over continuing education funding must be communicated to the church prior to the end of a fiscal year so that the church can include the rolled over funds in the annual budget.

Other Professional Expenses

Professional expenses reimbursement can be claimed for:

- Purchase of clergy robes, stoles, collars
- Dry cleaning and other care for clergy robes and stoles
- Meals, beverages, and gifts for volunteers and staff
- Emergency assistance for parishioners and other neighbors

Medical Deductible Reimbursement

A pastor may choose to designate a portion of salary to a Medical Deductible Reimbursement account (or "Cafeteria Plan"). During the year, the pastor turns in requests for reimbursement from this account using a voucher. Consult your tax expert for questions regarding a Medical Deductible Reimbursement account.

Approved by COM 8/2022