

MANSE AND HOUSING ALLOWANCE RECOMMENDATIONS

The Presbytery recognizes that local conditions and situations may make a manse provision appropriate for one congregation, and a housing allowance appropriate for another congregation. Therefore, we do not recommend a single approach to the matter. Rather, each church should make a careful decision based on the full range of the available options. Further, a church having made such a decision may later reconsider under other changed circumstances.

RECOMMENDATIONS

- A. That, when a pulpit vacancy occurs, as a part of the Session's strategy and completion of data for the Church Information Form, a thorough examination should be made of the possibility of offering the pastor-elect the option of a manse or housing allowance.
1. If the church owns a manse property: that separate appraisals be secured from two or more independent realtors to determine the fair local rental value and the fair local market value of the manse property.
 - a. That the appraised rental value or 30% of the cash salary shall be the "housing figure" for pension calculation purposes, when a manse is provided.
 - b. If manse is not provided, the housing allowance should not be less than 35% of base salary (which figure would include utilities.)
 - c. If the minister and/or the church would prefer a housing allowance, the church may sell or rent the manse (with Presbytery permission).
 - 1) Sell to the minister on a lease/purchase agreement (land contract) on the manse, or purchase money mortgage (church holds first/second mortgage or mortgage with lending institutions).
 - a) Church could agree to repurchase at "fair local market value" at time minister leaves – as determined above.
 - 2) Sell on the open market
 - a) The manse sale capital should be retained against possible future housing needs. This capital could be used to secure/provide a first or second mortgage for the minister at a fair interest rate.
 - 3) The church may rent the manse, and utilize net income toward providing a manse allowance.
 2. If the church does not own a manse and the minister and/or church prefers a manse to be provided:
 - a. The church may rent or buy a manse property (with the pension housing figure to be determined as in 1.a above).
- B. Sessions and pastors may wish to re-evaluate their present manse and/or housing allowances in the light of these recommendations.

Appendices "A" and "B" are the result of the Task Force on Manse and Housing Allowance Study discussions and are suggested aids to Sessions in their consideration.

Attention is also called to the pamphlet, "Minister's Parsonage Allowance and Social Security", available from the Board of Pensions, PC (U.S.A.), 1834 Arch Street, Philadelphia, Pennsylvania 19107.

APPENDIX “A”
MANSE

Pro Manse From Church Perspective

1. Difficulty of finding housing in rural or crowded area.
2. Having manse requires fewer gross cash dollars than housing allowance.
3. No property tax.
4. May relieve minister of worry about housing.
5. Most churches have manses – no change!
6. Makes minister more accessible if close to church – keys, flour, flowers, etc.
7. Existence of nice manse is “lure” in calling new pastor.
8. “Manse allowance” still possible – for furnishings, etc. (up to 25%).
9. Many ministers could not afford down payment:
 - a. could use manse sale cash as second mortgage.
 - b. could use manse rental toward manse allowance.
 - c. could sell manse to minister.

Pro Manse From Minister Perspective

1. Minister does not have to pay for upkeep and emergency repairs.
2. Pays no property tax.
3. Does not share housing headaches of homeowner.
4. Does not have to go through house search and purchase costs, etc. and sale costs.
5. Manse nearby – convenience of access.
6. Nice if you like congregation’s company.
7. Does not need sizeable down payment.

Con Manse From Church Perspective

1. Church expense and management for repairs, decorations and emergency repairs.
2. Questionable exemption of manse property from property taxes.
3. Must maintain large enough manse for large family.
4. Minister has woes of housing problems, but no authority to authorize repairs.
5. “We’ve always had a manse” – lack of openness to explore option.
6. Many manses substandard as houses and poorly maintained.
7. When manse nearby – makes decorating style, housekeeping, lawn care, a source of concern and embarrassment.
8. Tendency of congregation to consider it the church house – no privacy.
9. May be source of unnecessary friction between pastor and congregation.
10. Lengthens Session/Trustee agenda – “church not in real estate business.”
11. Existence of manse may make negotiation of new pastoral call more difficult.

Con Manse From Minister Perspective

1. Minister not building housing equity.
2. Freeloads on school and community service tax structure.
3. Does not share housing headaches of homeowner.
4. No choice as to where would prefer to live; size of house, etc.
5. Manse nearby – less privacy, want keys to church, etc.
6. No privacy – church’s house.
7. Landlord is congregation – embarrassed to ask for repairs, and poor repair of house embarrasses the pastor’s family to entertain.
8. Down payment – church may assist.

APPENDIX “B”
MANSE ALLOWANCE

Pro Manse Allowance From Church Perspective

1. Out of real estate business.
2. Removes manse maintenance costs.
3. Provides predictable cost for budget – (no emergencies!).
4. Removes psychological problems over maintenance, decorating, etc.
5. Will attract – adds to compensation package.
6. Church no longer free-loading on tax-supported community services (at least for manse).
7. Budget will reflect total cost of pastoral service.
8. Sharpens minister’s understanding of homeowner problems, costs, etc. (empathy).

Pro Manse Allowance From Minister’s Perspective

1. Sharpens minister’s financial understanding and empathy for homeowner problems.
2. Has choice of location, style of home, etc.
3. Opportunity to build equity (form of savings). Hedge against inflation.
4. Privacy.
5. “Full-fledged taxpayer and member of community.”
6. No longer tax “freeloader.”
7. Congregation not sharing responsibility for property—waiting for repairs, etc.

Con Manse Allowance From Church Perspective

1. Requires greater cash budget to provide.
2. Unutilized manse property, if church has (but can be rented, or sold as equity).
3. Manse space not available for church school overflow, etc.
4. Church may have to provide down payment or underwrite second mortgage.
5. Difficulty of securing adequate housing.
6. Could increase pension costs (if 25% of salary did not provide fair manse allowance).
7. Can’t cut so many budget costs by “sweat equity.”
8. If minister makes poor investment, may fear to move and take financial loss.

Con Manse Allowance From Minister’s Perspective

1. Increase “wordly cares.”
2. Bother of purchase, ownership, etc.
3. Increases taxes.
4. Reduces options for savings.
5. Congregation not sharing responsibility for property.
6. Congregation does not feel as free to “drop in”.
7. Has headaches of upkeep, repairs, etc.
8. Difficulty of adequate housing in some areas.
9. Cost and time of purchase, closing costs, securing mortgage, realtors’ sale costs, etc.