Church Training Center
Cultivating Effective Leadership

Church Procedures Audit
Securing Resources for Ministry

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Course Syllabus

Churches and Taxes: Navigating Tax Issues for Church Leaders

Course Duration: 9 weeks (9 one-hour sessions)

Course Description:

This training program is designed to introduce church leaders to various tax issues that churches may encounter. Participants will learn about the types of taxes churches are responsible for, the exemptions churches enjoy, potential risks of losing tax exemptions, and special tax-related issues related to ministers, donors, employees, and independent contractors.

Each session is designed to be dialogical in nature. Some will begin with a PowerPoint presentation followed by group discussion. Others will be group discussions facilitated by the course facilitator.

Facilitator: Keith Clark-Hoyos

Session 1: Income Taxes

- Understanding the basics of income taxation for churches
- Exemptions and deductions available to churches
- Reporting requirements and compliance

Session 2: How To Lose Your Tax Exemption

- Common pitfalls that can jeopardize a church's tax-exempt status
- Best practices for maintaining tax-exempt status
- Legal and financial consequences of losing the exemption

Session 3: Unrelated Business Income Tax (UBIT)

- Exploring the concept of unrelated business income
- When UBIT applies to churches and how to calculate it

- Strategies for minimizing UBIT liability

Session 4: Sales Tax

- Understanding the sales tax rules applicable to churches
- Exemptions and taxable transactions
- Compliance and reporting requirements

Session 5: Payroll Taxes

- Overview of payroll taxes and tax obligations for church employees
- Withholding, reporting, and remitting payroll taxes
- Tax considerations for clergy and ministers

Session 6: Ministerial Exemption

- Examining tax-related issues specific to ministers and clergy
- Housing allowance, self-employment tax, and other clergy tax matters
- Strategies for tax-efficient compensation

Session 7: Property Taxes

- Understanding property tax assessments for churches
- Exemptions, deductions, and property tax strategies
- Navigating property tax assessments and disputes

Session 8: Donation Receipts

- Proper documentation and reporting for church donations
- Legal requirements for issuing donation receipts
- Ensuring transparency and compliance in donation tracking

Session 9: W-2s and 1099s

- Differentiating between employees and independent contractors
- Reporting income and taxes for employees (W-2) and contractors (1099)
- Compliance with IRS regulations for tax reporting

Course Materials:

Each session will be dialogical in nature. Some PowerPoint presentations will be made and the slides will be distributed after the discussion.

Assessment and Grading:

This cohort is a voluntary participation training available to those who choose to increase their knowledge and skills in serving the church. No written exam is required.