

Clergy Support Fund Handbook



Produced by the Anglican Diocese of the Living Word

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Table of Contents

Introduction	4
Rationale for Clergy Support Funds	5
The Limits and Boundaries of Clergy Support Funds	6
Tax Implications of Clergy Support Funds	7
Confidentiality and Documentation	8
How to apply for Funding?	9

Introduction

Biblically, our clergy and laity are the highest resource gifts our churches have. The Lord's people are the focus of Jesus, our Great Shepherd, who lays his life down for the sheep. There are many methods to help our clergy as they serve in the frontlines of ministry. The Scriptures are replete with injunctions for the care of others. In the Old Testament, the Levites were not given land to own as an inheritance, as their inheritance was considered to be God himself, but they were supported by a portion of the offerings brought by other tribes due to their role as priests serving Israel; they were given specific cities to live in within the other tribes' territories to facilitate their priestly duties. In a similar construct, the Apostle Paul is clear that the New Testament "elders" have a right to be compensated fairly and cared for by the people they serve (1 Timothy 5:17-20). However, financial remuneration is not the only way to care for clergy.

The Clergy Support Fund of the Anglican Diocese of the Living Word is designed to help our clergy with specific financial needs: either in times of hardship or in times of professional growth. The fund can also be used for positive opportunities for development, restoration, and growth (as articulated in Section X).

With the support of our Standing Committee, the diocese has established this fund to offer support to the canonically resident clergy of the diocese. Our principles of confidentiality are articulated on page 7.

Our Clergy Support Fund is generated from contributions from congregations and individuals to compliment a generous matching grant, which we have received.

As the Diocesan Bishop, please be assured of my gratitude for you, your family, and your service to the Lord and the church.

With the love and blessing of Christ,

A handwritten signature in black ink, appearing to read "Julian M. Dobbs".

Julian M. Dobbs
Diocesan Bishop

Rationale for Clergy Support Funds

We are committed, as a diocese, to valuing clergy and their families as the most vital resource we have in our life together. A church can meet in all kinds of places. It can be small, large, growing or struggling, but the quality and the health of the clergy who serve these bodies is of paramount importance.

Clergy and their families often experience the very same financial struggles that non clergy members experience. In addition, they have the added pressure of being a role model to their church community. And yet, clergy and their families are often overworked, overlooked, and fail to receive the same level of care that some in their congregations receive. Often, this burden of expectation can lead to shame, guilt, and a reluctance to communicate financial needs or request help for growth opportunities.

To that end, our diocese has established a clergy support fund to assist our clergy in the kind of help that they need when the difficult seasons of life come along. Galatians 6:2 says: *“Bear one another’s burdens, and so fulfill the law of Christ.”* By providing a clergy support fund we aim, as a diocese, to reduce the economic challenges our clergy face. As the clergy help to bear the burdens for their churches, so our diocese seeks to help bear the burdens with our clergy.

Approved Purposes for Clergy Support Funds

The clergy support fund is limited and temporary financial relief for economic challenges. If the needs of the clergy person exceed \$1,500 in one year, the clergy person will need a consultation with the Diocesan Bishop to address the full scope of the economic challenge(s).

The following areas qualify for receiving Clergy Support Funds:

- (1) Medical Hardships/Health Care for the clergy person and/or immediate family members.
- (2) Immediate Student Loan Payment Relief for theological student debt.
- (3) Current or upcoming Seminary Expenses.
- (4) Personal Financial shortfalls needed for household expenses (mortgage, rent, utilities, and food) or debt burden (personal loans and/or unsecured loans).
- (5) Bereavement for extended family (clergy and spouse parents and siblings) funeral expenses (travel, funeral charges).
- (6) Mental Health expenses.
- (7) Mentoring expenses.
- (8) Sabbatical and Retreat Support.

Tax Implications of Clergy Support Funds

The practice of clergy receiving additional gifts beyond their agreed-upon compensation can have tax implications for both the religious institutions and the clergy persons themselves. Gifts given by the diocese to clergy can add additional administration to the financial recording of the diocese and make it difficult to maintain clear and accurate accounting. This lack of transparency can lead to legal and tax issues, as the Internal Revenue Service (IRS) has specific regulations regarding the taxation of gifts and compensation. If not properly reported, these gifts could result in penalties for both the clergy and the institution.

Our diocese has sought the advice of the following professional entities and have deemed the following to be our best practices when it comes to our clergy support fund.

The Diocesan Treasurer
A certified CPA firm
The Diocesan Chancellor

- (1) It is our preference to write support fund checks to third party entities on behalf of the clergy person. (e.g. We write a check to AB Dental for dental repair).
- (2) If we write a check directly to the clergy person, they must fill out a 1099 form (www.irs.gov).*
- (3) We can also write a check to the church of the clergy person, and they can add the amount through the normal compensation mechanisms to ensure proper taxation is considered.
- (4) We will not transfer the support funds through cash or gift cards.
- (5) In general, any payments to a members of the clergy are subject to taxation in the same manner as other individuals. Taxable income includes any compensation received, such as wages, salaries, honorariums, and fees. Gifts to clergy may also constitute taxable income. An exclusion from gross income is allowed to members of the clergy for parsonage (Rectory) or housing allowances provided to them by the church or its congregation, which should be previously designated by the Vestry of that congregation.

A payment made on behalf of a clergy member to pay off a debt on their behalf would be considered a payment to the clergy member and also taxable income. Grants from the diocese through the Clergy Support Fund, used to pay for personal expenses of a clergy member would also be taxable. Such expenses would include, but is not limited to, medical debt, student loan debt, credit card debt, other living expenses, and personal loan debt.

With all of the above, payments of \$600 or more will require the issuance of a 1099.

Confidentiality and Documentation

Confidentiality is paramount when managing clergy support funds for a diocese. This ensures that the privacy of individuals receiving assistance is protected, fostering trust and dignity. Personal information including financial and personal circumstances should be handled with the utmost discretion and only shared with authorized personnel involved in the decision-making process. We continue to implement strict confidentiality practices that help prevent unauthorized access and misuse of sensitive data thereby safeguarding the recipient's privacy and the diocese's reputation.

The diocese has a system for proper documentation which is equally crucial for the effective distribution of benevolence funds. Detailed records of all transactions, including applications, approvals, and disbursements, will be maintained to ensure accountability. This documentation not only helps in tracking the allocation of funds but also serves as a reference for future requests and evaluations.

Our Diocese utilizes Aplos, a software which has recorded very high reviews of security and does not data mine.

Confidentiality is also held in trust with the team and church where the clergy serves. The Diocesan Bishop, The Suffragan Bishop and where necessary, The Registrar, The Treasurer (or support staff) will be the authorized persons who will know about the disbursements.

How to apply for Funding?

When our diocese requires documentation for clergy support fund requests, our primary goal is to ensure that we are aiding those who genuinely need it and to allocate our resources responsibly. Documentation helps us verify the circumstances and needs of the applicants, ensuring fairness and transparency in our support process. However, we strive to balance this need for verification with a compassionate approach, recognizing that excessive bureaucracy can be discouraging and burdensome for those seeking help. By keeping our documentation requirements straightforward and respectful, we aim to maintain the dignity of clergy applicants while ensuring that our support fund efforts are effective and efficient.

The following steps highlight the process of applying for funding:

- (1) Complete the online application which will be submitted to the Diocesan Bishop. The Diocesan Bishop will, where necessary, confer and evaluate with The Suffragan Bishop, The Registrar, The Vicar General and support staff where necessary to evaluate the request. Further conversations and questions may be necessary.
- (2) Once you have received the funds, if approved, please send a follow up email to the Registrar acknowledging receipt and that you have used the funds for the stated and requested purpose.

Please be assured of our prayers for you and your calling to serve God and His church.

Click here to complete the application form.

<https://forms.ministryforms.net/viewForm.aspx?formId=879c76a2-0efa-482d-a0b1-7ce87c7b15aa>