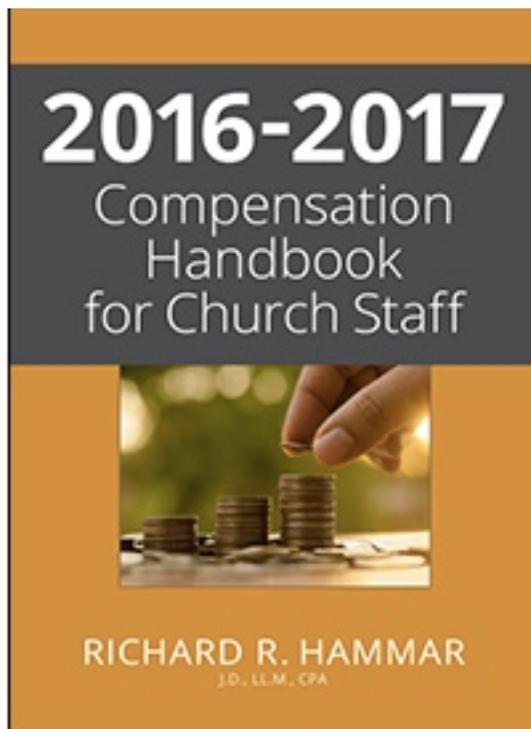


## Compensation Handbook for Church Staff

Book review by Warwick Alcock, Director of Strategic Operations, Village Schools of the Bible.

Village Schools of the Bible values the local church—her people and pastors. We exist to teach God's Word and transform lives in the local church.

This book, published by *Church Law and Tax*, a ministry of *Christianity Today*, is written by Richard Hammar, who has qualifications in both law and accounting. This book presents data from over 2,500 churches and encompasses 15 pastoral, professional and support staff positions from senior pastor and adult education pastor, to custodian and child care provider. Part-time positions are also considered.



Guidelines are provided to ensure fair compensation, compliance with federal tax laws, and tax savings tips that can benefit the church and the employee. Governance boards should be aware of the sanctions that can be applied by the IRS in instances of excessive compensation payments by a church, which can result in its exempt status as a charity being revoked. In addition, the law imposes a punitive tax on board members who vote for compensation packages that the IRS deems excessive. One way to mitigate this risk is to ensure compensation is appropriately benchmarked against objective comparability information presented in this book.

The analysis shows that churches typically devote 48-52% of their budget to staff compensation. At a more detailed level, this book makes it possible to benchmark compensation packages taking into account variables such as church income, worship attendance, church setting (e.g. rural or urban), region (e.g. Mid-Atlantic or Central), education level, years employed, and denomination.

Compensation data for each position are provided in terms of an appropriate compensation range, along with average and median levels, and lowest and highest quartiles. Compensation levels should stay within the recommended ranges if the board is to maintain the integrity of its fiduciary responsibilities and avoid the the risk of IRS sanctions.

Most of the book's 372 pages consist of employment profiles for each position followed by tables of detailed data about the various elements that make up a compensation package. Worksheets are provided so that one can easily work through the data in a consistent step-by-step way to benchmark each staff position in a manner that is both objective and transparent. The book provides a useful checklist to ensure all important items have been thought through in the course of compensation planning. The is a highly recommended resource for church staff compensation planning, which is an important element of caring for the local church.