



PRIESTS LIVING OUTSIDE THE RECTORY

Diocese of Great Falls-Billings

NORMS

1. A priest may be permitted for serious reason to live outside the rectory, provided this does not interfere with the carrying out of his pastoral duties. Permission for these special living arrangements must be obtained from the bishop after the priest has consulted with the parish pastoral council and the parish finance council. The consequences of such a move should be studied with them.
2. Parishes that have provided a housing allowance for one pastor will not be obligated to provide a rectory for the next pastor if the parish chooses to continue providing a housing allowance.
3. If a priest elects housing arrangements under the alternate housing policy, the parish should provide him a tax-free cash allowance to cover the costs of this living arrangement. The Internal Revenue Service limits the amount of the allowance to the lower of the following two items:
 - a. The amount designated in advance by the diocese in the annual budget guidance and formally adopted by the parish finance council, OR,
 - b. The actual costs incurred. The actual costs that qualify include:
 - i. The cost of the residence (either rent payments or principal and interest payments on the mortgage) and improvements (new roof, garage, fence, gutters, etc.)
 - ii. Utilities (heat, electricity, local telephone, water and sewer, water softener rental, garbage fees).
 - iii. Repairs and upkeep (yard maintenance, household cleaners and supplies, pest control, broken windows, repairs and furnishings).
 - iv. Insurance (homeowner's or renters) and real estate taxes.
 - v. Furnishings and appliances (furniture, washer and dryer, TV set, bedroom furniture – both the purchase price and repair).

The above allowance (i. – v.) is subject to Social Security taxes, but not federal income taxes (Schedule SE and Form 1040). These costs should specifically be reviewed and approved by the parish finance council annually. In addition to the housing allowance, the parish will provide an allowance for food and maid service that is subject to both federal income tax withholding and Social Security tax. The maximum allowances for housing and food and maid service will be published annually in the budget planning guidance to the parishes.

The parish will not be obligated for any other housing costs, such as food, utilities, furnishings, maintenance, laundry or dwelling insurance.



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4. Should a priest opt to purchase his own dwelling, this should not influence his willingness to serve in other assignments in another part of the diocese.
5. It should be remembered that the norm is for the priest to live in a rectory. The above policy is an exception to the norm.

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Diocese of Great Falls-Billings