



December 2025

TO: CONGREGATION TREASURERS OF THE NEW JERSEY SYNOD

This annual Congregational Treasurer's packet provides information on closing 2025 and organizing for next year. This letter includes information and helpful suggestions:

- 1) Year-end checklist
- 2) Preparing for 2026
- 3) Mission Support Gifts and Lutheran Ministry Gifts
- 4) Annual state registration
- 5) Annual Congregation Internal Audit
- 6) Property tax exemption
- 7) Insurance coverage

Additional resources

1) Year-end checklist of financial tasks

- ✓ **End of Year Contributions** – The IRS says a contribution can only be recorded on a person's giving record in the year it was received by the church. To be recorded as a 2025 contribution, it must be *physically* in the possession of the church or *postmarked* on or before December 31, 2025. If the contribution is a check, it must be dated on or before December 31.
- ✓ **Year-end contributions** designated as "gifts to the pastor" are taxable income to the pastor.
- ✓ **Contribution Receipts to Donors** – The Church should issue their Contribution Receipts to donors as soon as possible after December 31. The Contribution Receipts should show the detail of contributions by date made to the church and must include wording such as "No goods or services were provided in exchange for your contributions." somewhere on the report. If you fail to do this, the IRS could disallow any charitable contribution deduction for your donors.

The IRS does not allow taxpayers to deduct Charitable Contributions over \$250.00 unless the taxpayer has a Contribution Receipt in their possession when they file their income tax return.

2) Preparing for 2026 – things to do by December 31, 2025

- ✓ **Housing Allowance** – The church council must designate the 2026 Housing Allowance for pastors who receive a housing allowance. This must be documented in the official minutes of the church *before* the pastor incurs any housing-related expenses. This may apply to a minister living in a parsonage who receives compensation to offset expenses related to housing such as furnishings, cleaning supplies, repairs, etc. This is reported in Box 14 of the minister's W-2 as "Housing Allowance".
- ✓ **Parsonage Value** – For any pastor living in a church-provided parsonage, the Board should determine the fair rental value of the parsonage for the next year. This is reportable by that pastor as income for Federal Self-Employment Tax purposes *only*. This is reported in Box 14 of the minister's W-2 as "Housing Allowance".
- ✓ **W-4 Forms** – All employees should review their W-4 form and submit a new form to the church if their tax circumstances have changed.

Early January

Backups – When the transactions are finalized for last year, back up your accounting records. Print year-end copies of the:

- Year-end spending plan report
- Balance sheet
- Restricted funds report
- Cash flow report

to keep with your permanent records. If you prefer electronic copies, save PDFs of these reports along with a PDF of the year-end trial balance.

By January 31

- ✓ **W-2s** – You must provide all employees with a W-2 by January 31. Pastors, administrators and music directors are considered church employees by the IRS.
- ✓ **Form W-3** – Your form W-3 Transmittal of Wage and Tax Statements and all W-2 copy A's must be mailed to the Social Security Administration by January 31.
- ✓ **Form 1099-NEC** – You must provide a Form 1099 to all required recipients by January 31. The church must issue a Form 1099-NEC to any individual – other than an employee – who receives \$600 or more as compensation from the church for services rendered.
- ✓ **Form 1099-INT** – The church must issue a Form 1099-INT to any individual who was paid at least \$10 in interest payments by the church in 2025. This would apply if someone loaned money to the church and received interest payments.
- ✓ **Form 1096** – Form 1096 Annual Summary and Transmittal of U. S. Information Returns along with copies of all 1099s must be mailed to the IRS by January 31.

3) Mission Support and Lutheran Ministry Gifts:

The enclosed **MISSION SUPPORT** form contains your congregation's name and four-digit Synod ID number. You may copy that form for 2026 gifts or you can download the Mission Support Remittance Form from the New Jersey Synod website and insert your congregation's name and four-digit Synod ID number from the preprinted Mission Support Form.

- Enter the Mission Support remittance and other gifts information on the form.
- Make all checks payable to **THE NEW JERSEY SYNOD, ELCA**.
- Mail the **MISSION SUPPORT** form along with your checks to:

*Lois Parrett
New Jersey Synod
1930 Highway 33
Hamilton Square, New Jersey 08690-1714.*

Congregations may now submit Mission Support and other Lutheran ministry gifts (see below) using an online giving option – go to <https://abundant.co/njsynod/congregations>. It is very easy to use and eliminates mailing checks and filling out forms.

All congregations are urged to share their Mission Support gifts monthly, based upon a proportion of the congregational income.

You are encouraged to include **Lutheran ministry gifts** along with your Mission Support:

- Gifts to all NJ Synod funds (Compensation Aid, Fund for Mission, etc.)
- Gifts for NJ Synod Mission initiatives
- Gifts to ELCA funds (World Hunger, Missionary Support, etc.)
- Support for your Mission Partner congregations
- Gifts to United Lutheran Seminary, Lutheran Social Ministries of New Jersey, Cross Roads Outdoor Ministries, Lutheran Archive Center.

Please send your congregation's gifts to **local and non-Lutheran charities** directly to the benefiting organizations. These gift amounts should be included in your congregation's total gifts in your annual Evangelical Lutheran Church in America Congregational Parochial Report.

4) Annual State Report

If your congregation is incorporated under the general non-profit statute (Title 15 A) you must file an annual report **by February 28**. If your congregation is incorporated under the church statute (Title 16), your congregation does not have to report annually. **Most congregations formed before 1950 are incorporated under Title 16.** We recommend that congregations registered under Title 15A do not change their incorporation.

5) Annual Congregational Internal Audit:

The internal audit certificate is enclosed; it can also be printed from the NJ Synod web site (www.njsynod.org/treasurer). **Place this certification with the Church Council permanent records.** Do not send this certificate to the New Jersey Synod office or the ELCA churchwide office.

A *Congregational Audit Guide* from the ELCA is available at NJSynod.org/treasurer.

During the internal audit your congregation performs a review of financial practices. If your congregation struggles to find members who will do a review, you may want to collaborate with a neighboring congregation to have members from each congregation review each other's books and internal controls.

6) Property Tax exemption

Churches must file with the local tax assessor for renewal of their property tax exemption status every three years, submitting their forms **by November 1**. Please make sure that you have an up-to-date certificate for exemption of any real property owned by the congregation including the church building, any parish buildings and parsonages. Generally your municipality will send you a reminder every three years for filing but mark your calendar so you don't miss the next required submission. If your congregation has not completed a form in the past three years, contact your tax assessor and inquire if an updated "Further Statement of Organization Claiming Property Tax Exemption" form is needed.

7) Insurance Coverage

The Treasurer should review the insurance that is in place for the congregation. This should include

- Fire and liability
- Flood insurance, where applicable
- Workers compensation insurance
- Auto insurance, where applicable
- Liability umbrella policy
- Errors and omissions policy

The review should include the adequacy of the limits of coverage with consideration given to current real estate values and building costs in your area. It is helpful to have your Congregation Council affirm

your carrier and coverage annually at the Congregation Meeting or first Congregation Council meeting so that the information is recorded in official records each year. www.elca.org/en/Resources/Risk-Management has helpful guidelines for coverage levels and for procuring church insurance. **Congregations should keep old insurance policy documents forever** with their permanent records in case a future legal suit arises.

Purchasing Insurance Guidelines is available from ELCA.org

Records retention

Did you know that the ELCA recommends destroying offering envelopes immediately after offering is counted? For detailed recommendations about records retention and destruction, go to ELCA.org and type “congregation records retention” in the search bar at the top right.

A Resource to Consider: 2025 Church & Clergy Tax Guide

Tax law concerning churches and clergy compensation is complex and tax guidance frequently changes. You may want to consider having this resource on-hand. The 2026 edition is due out in January. It can be purchased at the Church Law and Tax store or through Amazon.

If you have any questions, please feel free to contact us. Thank you for your dedicated work!

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Other helpful Stuff:

Jersey Jottings

We recommend reading Jersey Jottings, an email newsletter of the NJ Synod. It periodically includes news pertinent to church treasurers. To subscribe, send an email to communications@njsynod.org.

Congregational Treasurers' and Bookkeepers' Financial and Accounting Guide

https://download.elca.org/ELCA%20Resource%20Repository/Congregational_Treasurers_Financial_And_Accounting_Guide.pdf

Financial resources available on the ELCA website

Many resources for congregational treasurers and bookkeepers are available in PDF format at www.elca.org/Resources/Financial. Click on “Congregations”.

- Accountable Reimbursement Policies
- Acknowledging In-Kind Gifts
- Automobile Actual Expense
- Automobile Mileage Expense
- Cash vs. Accrual Methods of Accounting
- Congregational Audit Guide
- Council Officers Job Descriptions
- Credit Card Best Practices
- Data Security
- ELCA Advantage Program
- Financial and Accounting Guide
- Handling Financial Matters
- Identity Theft
- Internal Control – Best Practices
- IRS New Requirement Form – 8822-B
- Narrative Budgets
- Program Budget Presentation
- Sample Expense Voucher
- Social Security and Other Information for Clergy and Religious Workers
- Things to remember about housing allowance

Administration Matters

“Administration Matters” is a bimonthly e-newsletter for synodical and congregational leaders. It addresses common, practical issues including finance, governance, risk management, tax, legal concerns and topics of interest about day-to-day operations and management in church settings. Subscribe to receive this resource at: <http://blogs.elca.org/adminmatters/>

Portico Training Videos

Portico offers an online video series for Congregational Treasurers to better understand the ELCA benefits program.

1. Welcome video: <https://vimeo.com/286898425/17550a772a>
2. Understanding Your Bill: <https://vimeo.com/283784085/b9c699d390>
3. EmployerLink Tour: <https://vimeo.com/283787408/1b2bcecb97>

Completing a Pastor’s W-2 IRS Form

Please refer to [IRS Publication 517](#) and the current IRS instructions. For further information, you should consult with a local tax preparer or expert.

Qualified Charitable Distributions

The IRS allows people at least 70½ years old to distribute charitable gifts directly from their IRA. This offers a terrific tax benefit to older members. See [IRS Publication 590-B](#), Distributions from Individual Retirement Arrangements (IRAs) for additional information.