

Exhibit 2:

SAMPLE HOUSING ALLOWANCE NOTIFICATION LETTER

To: Rev. John Doe
From: Jane Smith – Church Treasurer
Date: January 2012
Subject: Notification of 2011 Housing Allowance

This is to advise you that the Board of First Assembly of God has officially designated your 2011 housing allowance in the amount of \$24,000.00. Accordingly, \$24,000.00 of your total compensation paid during the year 2011 will constitute housing allowance and the balance will constitute salary. The amount on your W-2 form is your 2011 salary earnings and should be reported on your Form 1040, line 7, "wages." Your housing allowance is NOT included in Box 1 of your W-2 form.

Housing allowance is not subject to income tax, however it is subject to self-employment tax and should be included on your Schedule SE, designated as "minister's housing allowance."

If your designated housing allowance is in excess of your actual expenses the excess should be reported on the 1040 Form, line 7, as "excess housing allowance."

For additional detailed information concerning your housing allowance, you can request publication 517 from the Internal Revenue Service.