

THE

INFORMER

NEWSLETTER



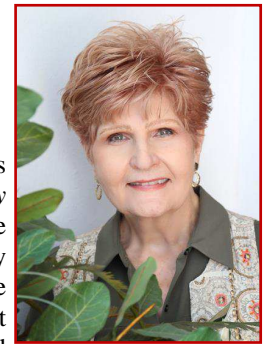
MONTHLY NEWSLETTER | PARAGON CHRISTIAN ALLIANCE INT'L (PCAI)
DECEMBER 2020 | ISSUE 12

HOPE... Hebrews 12:3

By Dr. Elizabeth Foy / PCAI Executive Director

The above is not a Christmas scripture but frankly this is a Christmas like no other. In praying over a "Christmas" newsletter, I kept coming back to the end of the above scripture, "lest you become weary and discouraged in your souls." I believe all of the saints of yesteryear have been praying that over us in 2020. My mind wandered to the type of world Mary brought Jesus into. The world around her looked very much like ours, the government was openly corrupt, the religious system of the time was tolerated, not celebrated, and people were allowed to practice their faith as long as they kept it in boundaries the government had implemented. There was widespread poverty and such a longing for the promised deliverer to come, but at the same time pronouncing what they thought he must look like and act like. Now on top of all Mary had gone through with the public shame some believed her guilty of, and the incomprehensible call of God on her life, Mary was being ordered to Bethlehem to make sure she was counted for tax purposes. At this time she did not know she was not going to be able to return to her home after this trip. In the light of all of this, she was determined to bring Jesus into the world. She brought The Word to a people who had no desire to receive HIM. Not even the lack of a decent place to sleep darkened her heart to refuse to fulfill God's command.

Mary made a choice to focus on what she was called to do. She was the avenue for salvation to be available to everyone. We are not very different from her. We too have been called by the FATHER to bring salvation to the world around us. It is so tempting to look around at the hate and anger and harsh interference of government and become discouraged when we feel we are stopped at every turn we tend toward weariness. But we have to ground ourselves in our mission. We cannot stop short of delivering the Gospel of salvation to everyone we are connected to.



The first part of verse three states "consider Him who endured such hostility from sinners against Himself." There have been times over this past year when many of us have felt all was against us and the door to a better day was locked. But just like Mary, we carry hope. We are tempted to forget that our hope is not connected in the least to anything of this world. Mary could have looked at things around her and become discouraged and wondered if she had correctly heard God. She could have lost hope that the will of God would be fulfilled. I wonder when she was delivering that sweet child in the stable if she could have ever conceived the thought that HE would hang on a cross. The promise God gave her at conception did not give those details. Many times we can hear and understand the will of God but some of the details HE keeps to HIMSELF. That is where our faith comes in. We trust God when we cannot see clearly HIS will being performed. We have to remind ourselves that we at times see through a glass dimly to quote Paul. But we never surrender to the thought that God has been defeated or deterred in any avenue.

No matter what Christmas looks like for your family this year, let's make it about carrying the source of salvation to everyone we are with. There may not be money for gifts because many have lost jobs; there may be some empty chairs because some have lost family; there may be a smaller meal because supplies are limited, but there can be an abundance of love and hope. Not because of what is around us but because of what is in us.

**WE CARRY THE LIGHT OF THE WORLD, WE
BEST BETTER BE SHINING, THE WORLD NEEDS
US TO!!!!!!♥**



Taylor: We can act the part, look the part, but God sees the heart



By Rev. Mike Taylor / Raphah Ministries Director & Religion Columnist

The Bible says that God's ways are not our ways. It's often difficult to fully understand how God works and speaks because He is so far above His creation, man.

God is a Spirit and the only way to fully know and to speak to God is through His Spirit. Man looks at the outward, but God looks at the heart. Man judges by the natural, God is a righteous and holy judge and is supernatural. He knows our thoughts and He sees our heart. He is a Supernatural Being, man is limited by his natural understanding, unless God reveals it to us by His Spirit.

When I say man looks at the outward or judges by the natural, I am pointing out the things we judge by. For example, the natural man judges others by how they look or how they dress, what schools they went to, etc. God

looks at none of that, He goes right to the heart. He looks for those who praise and love Him and have His heart. They may not be perfect, but love God and people and their hearts are pure. Something that is really lacking in this current highly political world we live in.

We can see a good example of this principle in the Bible when the prophet Samuel comes to David to anoint him as king. This story is told in 1 Samuel chapter 16. When Samuel was sent to anoint the future king, God told Samuel He would indicate who to pick. David had seven brothers and Jesse their father made all seven sons pass before Samuel. David was not even in the room, he was outside keeping the sheep. The Lord told Samuel do not look at their appearance because I have refused them. God told Samuel I do not see as man

sees for man looks at the outward appearance, but I look at the heart. All seven brothers were rejected by God.

Samuel asked Jesse if he had any other sons and Jesse said the youngest is outside and Samuel asked for him to come in. When he came in God told Samuel to anoint him as king for this is the one. Jesse thought for sure one of the other sons would get picked because of their outward appearance but God had His eyes on David long ago. David was a shepherd boy and would spend many hours praising and loving God. His heart was right with God and God made him King.

This leads me to where we are today, prophetically. What is God saying to us and where are we headed?

During my time in prayer recently I felt the Spirit of God speak to me from Psalm

7. Psalm 7:9 says, "Oh let the wickedness of the wicked come to an end. But establish the just: for the righteous God tests the hearts and minds." There it is again; God looks and tests the hearts and minds of men.

Friends, I believe we are living in the evil day. The Bible talks about the end times in the book of Revelation. God will and must end wickedness and establish the righteous. The book of Revelation says that in the end times a third of mankind will be killed from wars, famine, and disease. It also says that most who did not die from these plagues still would not repent of their idols, murders, drugs, theft, and sexual immorality. We must repent and turn back to God before it is too late.

We can act the part, look the part, but God sees our heart. ♥

Church/Ministry Tax to Remember

SOURCE: Churchlawandtax.com

December 15, 2020

- Complete all year-end transactions to be sure that they are reportable on your income tax return.
- A church must make quarterly estimated tax payments if it expects an unrelated business income tax liability for the year to be \$500 or more. Use IRS Form 990-W to figure your estimated taxes. For 2020, quarterly estimated tax payments of one-fourth of the total tax liability are due by April 15, June 15, September 15, and December 15, 2020, for churches on a calendar-year basis. Deposit quarterly tax payments electronically using EFTPS.

December 31, 2020

- Churches must designate a portion of each minister's compensation as a housing allowance by this date in order for ministers who own or rent their homes to receive the full benefit of a housing allowance exclusion for calendar year 2021. The designation should be adopted during a regular or special meeting of the church board, and should be contained in the written minutes of the meeting.
- Churches should designate a parsonage allowance for any minister who lives in a parsonage and who is expected to pay some of the expenses of maintaining the parsonage (e.g., utilities, furnishings, repairs, improvements, yard care).
- Donors must *deliver* checks on or by this date in order to claim a charitable contribution

deduction for 2020. Checks that are placed in the church offering during the first worship service in 2021 *will not qualify for a charitable contribution deduction in 2020*, even if the check is predated to 2020 or was actually written in 2020. However, checks that are written, mailed, and *postmarked* in 2020 will be deductible in 2020 even though they are not received by a church until 2021.

- An employee's marital status on this date determines his or her filing status for the year.
- If you have a minister or lay worker who is treated as self-employed for federal income tax reporting purposes, but who you would like to reclassify as an employee, the ideal time to make the change is on January 1, 2021.

ANNOUNCEMENT

◆ Tax Filing Information

Your **contribution information** for 2020 will be enclosed in the **January Informer**. Please pay close attention and remove the contribution statement and put it with your tax filing information. Each year we get numerous request on April 14th saying they never received any information. We want to save you some stress. It will be in your **January Informer**.

IF you have a church or ministry, remember that you are required by law to get **contribution information** to your donors in a timely manner. **February 1, 2021** is the last mailing date for contribution statements to be sent to your donors.

Also remember only **checks** received by **December 31, 2020** can be counted as **2020 deductions**. The check may be hand delivered to the church or ministry on **December 31, 2020** and count for that year or it can have a **December 31, 2020** post mark on the envelope to count toward 2020 deductions.

◆ PCAI Christmas Holiday Office Hours

The **PCAI Office** will be closed on **December 21, 2020 to January 1, 2021** and re-opened on **January 4, 2021** to give our dedicated staff time with their families. However, we will be checking the voicemail, emails, and processing mail during this time.

Time for Contribution Statements Soon

(Excerpt from CLA Article)

Be Cautious with Designated Contribution...

Building funds are every church's friend, right? While fundraising campaigns for specific ministries of the church can be a very useful tool to increase donations and giving, every ministry must be aware of the legal issues with accepting funds specifically earmarked for a single purpose.

If you accept designated funds, then be aware – you must use those funds only for the purpose for which they were designated. There have been numerous lawsuits regarding ministries that eventually, for a myriad of reasons, abandoned the plans for the original fundraising campaign but kept the raised funds. And in multiple cases, courts have ruled those funds must be returned to the donors. □

◆ ATTENTION: 501 (c)(3) Chartered Ministries & Churches under PCAI Group Exemption

CHARTER RENEWAL DEADLINE MARCH 28TH



Charters under the PCAI Group 501(c)(3) Group Exemption will receive their Charter Renewal Yearly Report Packet in January.

OR

Forms are also available on our website. www.paragonchristianalliance.org under "Resources" tab in a PDF file.

It is important that your report be received in our office no later than March 28th.

These renewals are necessary to remain in compliance with the IRS code and maintain your charter's tax-exempt status under the PCAI Group Exemption.

PLEASE REVIEW: *This is a good time to review your monthly giving obligation to ensure you are up-to-date on your ministerial and charter giving. These must be current in order for your 501(c)(3) to be renewed in 2021.*

◆ Church Tax/ Law Dates

If your church or organization reported withheld taxes of \$50,000 or less during the most recent lookback period (for 2020 the lookback period is July 1, 2018, through June 30, 2019), then withheld payroll taxes are deposited monthly. Monthly deposits are due by the 15th day of the following month.

Note, however, that if withheld taxes are less than \$2,500 at the end of any calendar quarter (March 31, June 30, September 30, or December 31), the church need not deposit the taxes. Instead, it can pay the total withheld taxes directly to the IRS with its quarterly Form 941. Withheld taxes include federal income taxes withheld from employee wages, the employee's share of Social Security and Medicare taxes, and the employer's share of Social Security and Medicare taxes.

Are you thankful for your pastor and ministry leaders? Do you spend time in prayer for them?

- * 97% of pastors have been betrayed
- * 70% of pastors battle depression
- * 80% of pastors feel discouraged
- * 94% of pastor's families feel the pressure of ministry
- * 78% of pastors have no close friends
- * 90% of pastors work 55-75 hours a week
- * 10% of pastors will retire as a pastor
- * 7,000 churches close each year
- * 1,500 pastors quit each month

✓ Year-End Checklist for Ministry Bookkeepers

1. Housing Allowance. Church Boards and/or Congregations should designate an annual 2021 housing allowance for ministers who own or rent their home (and for ministers who live in a parsonage and pay some of their housing expenses).

2. W-4 forms. All employees should complete new W-4 forms to ensure accurate withholding.

3. Notice of donors. Donors should be advised in a church bulletin, newsletter, or by letter from the church, not to file their federal income tax return before they receive their Contributions Statement from the church. Some people may not be able to deduct certain contributions if they file a tax return before receiving their church contributions receipt.

4. Christmas gifts. Be sure to correctly handle Christmas gifts made by the church or congregation to a minister or staff member. In most cases, these gifts represent taxable income and must be reported as income on the recipient's W-2 or 1099.

5. Handling end of year contributions. The general rule is that a contribution is effective when delivered. This means that a check deposited in the church offering in January of 2021 becomes effective that day even if it is backdated to 2020. **It is not deductible for 2020.** One exception: **Checks postmarked in 2020 are deductible in 2020 — even though not received until 2021.**

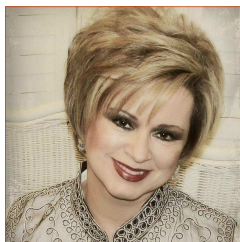
6. Business Expenses. If your church reimburses some or all of a minister's business expenses, reimburse these year-end business expenses NOW.

7. Reclassification of workers. Now is the time to decide if you want to reclassify any of your workers for tax reporting purposes. If you have a minister or lay worker who is treated as self-employed for federal income tax reporting purposes, and you would like to reclassify the person as an employee, the ideal time to make the change is on January 1st of the new year.

8. Voluntary withholding. Ministers' wages are exempt from tax withholding. This means they use the quarterly estimated tax procedure to prepay their federal taxes. Ministers who report their income taxes as employees can enter into a voluntary withholding arrangement with their employing church. Under such an arrangement, the employing church withholds income taxes as it would for any other employee; and it can also withhold an additional amount of income taxes to cover the ministers' self-employment tax liability.

9. Order tax publications and renew subscriptions. December is a good time to order your new 2021 copy of IRS Circular E (withholding table) and copies of Forms W-2, W-3, 1099, and 1096 that you will be issuing for compensation in year 2021. To order forms simply call the IRS toll-free number at – 1-800-TAX-FORM (1-800-829-3676) or visit the IRS website (www.IRS.gov).

10. NEED HELP? If you need assistance on good tax information for churches and ministers, please contact the PCAI office at 1-866-268-5600.



BLESSINGS!
Jan Harbuck, Ph.D.
Church Tax/Law Specialist—PCAI Office
Email: info@paragonchristianalliance.org

DID YOU KNOW???

Over the past years many have adopted the convenience of using PayPal to send their monthly offering. It gives the certainty your giving arrives each month in a timely fashion. We appreciate that thoughtfulness.



One thing you may not have considered is the loss to ministry funds that giving online creates. We get a lower percentage held out due to being tax exempt but over a month's time and many users it normally adds up to \$500-\$600 a month that PayPal keeps.

Please pray about adding a few dollars to your offering to help offset this loss. We understand everyone is hurting these days with the decline in our economy but we wanted you to be aware of this so that you might be able to help.



The INFORMER Newsletter is a free monthly publication of P.C.A.I. (Paragon Christian Alliance International) & PCAI Clergy Association

2149 Highway 139, Monroe, LA 71203

1-866-268-5600 |

FAX (318) 345-0350

Website:

www.paragonchristianalliance.org

EMAIL: info@paragonchristianalliance.org

OFFICE HOURS:
9:00AM to 4:00PM

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Christmas Greetings from PCAI Board & Staff