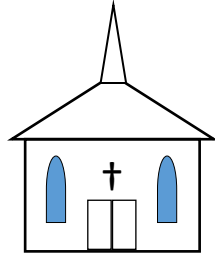


COMPASS Matching Grants: How do they work?

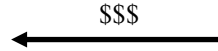
- 1.** Pastor enrolls in the COMPASS Journey or the COMPASS Quest program.

2.



Local church establishes a Ministerial Excellence Fund (MEF) for the pastor's grant.

- 3.** Upon completion of the COMPASS program, the COMPASS Initiative sends a check to the local church, matching the amount raised in their MEF.



Up to \$5,000 for the Journey
Up to \$1,000 for the Quest

NOTE: All MEF funds and matching grant funds are exempt from denominational allocations.

- 4.** Local church disburses all MEF funds and matching grant.



Debt relief funds are given directly to the pastor.

NOTE: This is taxable income for the pastor.

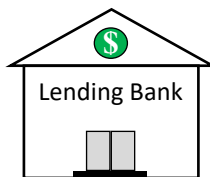
OR

Retirement funds are sent directly to pastor's Fidelity 403(b) account at Pensions and Benefits USA as an employer salary addition.

NOTE: This is non-taxable income for the pastor.

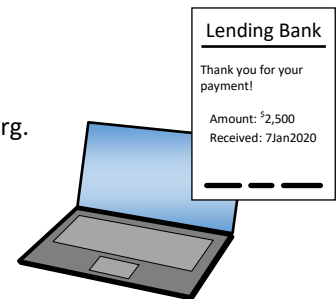


- 5.** Pastor uses grant money to pay down personal debts or student loans.



- 6.** Pastor emails copies of payment receipts to:

COMPASS@nazarene.org.



- 7.** Taxes



- a.** Local church reports grant income on pastor's W-2 or 1099.

Taxable Income: Debt relief funds

Nontaxable Income: Retirement contribution.

- b.** Pastor pays taxes on the debt relief portion of the grant money.