



## **Guidelines for Going Away Gifts For Clergy and Personnel**

Updated: July 2025

### **Purpose**

Periodically, when clergy retire, are reassigned, or when employees depart the Archdiocese, Parish, Mission, Campus Center, or School (collectively referred to as “the Organization”), questions arise regarding the appropriate handling of gifts given in appreciation. These guidelines establish consistent, transparent, and IRS-compliant practices for such going-away gifts.

### **Definition of a Going-Away Gift**

A going-away gift is a token of appreciation presented to a clergy member or lay employee at the conclusion of their formal employment or assignment. These gifts may be:

- Monetary (e.g., check, cash, gift cards)
- Non-monetary (e.g., travel vouchers, electronics, stole, vehicles)

### **Gifts Facilitated by the Organization**

All gifts facilitated by the Organization are considered taxable compensation to the recipient unless the non-monetary value is considered de minimis.

Additionally, contributions designated as a gift for an individual are not considered tax-deductible for the donor. The facilitating Organization should consider the type of gift that is given to determine the appropriate treatment of the gift.

### **Monetary Gifts** (e.g., cash, checks, gift cards):

Per IRS Publication 525, monetary gifts provided by an employer—including non-profit organizations—to an employee or clergy member are considered taxable compensation to the recipient, even if described as a “gift.” This also applies when the funds are collected from parishioners or donors but are facilitated by the Organization for the benefit of a specific individual.

The distribution of these gifts must be:

- Processed through payroll with proper withholdings if the individual is still on payroll; or
- Processed through accounts payable with a Form 1099-NEC issued if the recipient is no longer employed and the amount is \$600 or more.

**Non-Monetary Gifts** (e.g., electronics, travel, stoles, vehicles):

Per IRS Publications 525 and 15-B, such gifts—commonly referred to as “fringe benefits”—are considered taxable income if they exceed the IRS de minimis threshold, which is \$100 or more as of June 2025. Any gift exceeding this threshold must be reported at its full fair market value as taxable income.

If the gift does not have a clear dollar value, the taxable amount should be determined based on its Fair Market Value (FMV), with consideration given to by all relevant facts and circumstances. FMV is the amount it would cost to purchase or lease the item from a third party.

**Additional considerations:**

- Contributions made to the organization designated as a gift for a specific individual (e.g. “for Fr. John’s farewell gift”) are not tax-deductible to the donor, per IRS publication 526. For contributions to be tax-deductible, they must be made **to or for the use of a qualified organization**, not earmarked for individuals.
- Accounting requirements:
  - All collections for going-away gifts should be recorded in the general ledger using an exchange account.
  - If the gift is entered into ParishSoft Family Suite, it must be flagged as non-tax-deductible.

### **Gifts Given Directly by Parishioners**

Per IRS pub. 950, going-away gifts personally given by donors to the departing clergy or staff member are considered personal gifts, not compensation, and thus are not taxable to the recipient. Donors must give directly to the departing individual without any facilitation by the organization.

The giver (donor) is responsible for any gift tax reporting. The gift is not tax deductible to them.

Summary				
Given/Collected By	Gift Type	Value	Taxable Income to Recipient?	Tax Deductible to Donor?
Parish/School	Monetary (cash, check, gift card)	Any	Yes	No
Parish/School	Non-Monetary (i.e. electronics, travel, stoles, vehicles)	> \$100	Yes	No
Parish/School	Non-Monetary (i.e. turkey, flowers, fruit basket)	< \$100	No	No
Parishioner/Donor	Any	Any	No	No

For more information, please reference the following websites:

[IRS Publication 525 – Taxable and Nontaxable Income](#)

[IRS Publication 526 – Charitable Contributions](#)

[Publication 15-B – Employer’s Tax Guide to Fringe Benefits](#)