

Church Financial Hot Topic

Short-Term Church-Sponsored Mission Trips*

| <i>Participants</i> | <i>Who pays travel expenses (transportation, lodging, etc.)?</i> | <i>Does the church receive donations from participants or others?</i> | <i>Tax consequences (Assumed that the trip was preauthorized by the church and furthers the church's exempt purpose)</i> |
|---------------------|--|---|---|
| Adults | Church | No | <ul style="list-style-type: none"> • None |
| Adults | Church | Yes, from participants, in the amount of their travel expenses paid by the church | <ul style="list-style-type: none"> • Payments by participants to their church are deductible as charitable contributions if the church-sponsored mission trip involves "no significant element of personal pleasure, recreation, or vacation." • Participants' payments can be reported by the church treasurer on giving statements (if expenses are \$250 or more, the church's receipt must comply with substantiation requirements). |
| Adults | Church | Yes, from non-participants, to cover the travel expenses of participants who cannot afford to pay the expenses themselves | <ul style="list-style-type: none"> • Payments by non-participants to their church are deductible as charitable contributions if the church-sponsored mission trip involves "no significant element of personal pleasure, recreation, or vacation." • Non-participants' payments can be reported by the church treasurer on giving statements (if a contribution is for \$250 or more, the church's receipt must comply with substantiation requirements). |
| Adults | Participants | No | <ul style="list-style-type: none"> • Unreimbursed travel expenses paid by participants are deductible as charitable contributions if the church-sponsored mission trip involves "no significant element of personal pleasure, recreation, or vacation." • If a participant is entitled to a charitable contribution deduction for un-reimbursed travel expenses of \$250 or more, the church must issue an "abbreviated written acknowledgment" in order for the participant to substantiate a deduction. |
| Minors | Church | No | <ul style="list-style-type: none"> • None |
| Minors | Church | Yes, from parents in the amount of their travel expenses paid by the church | <ul style="list-style-type: none"> • Payments by parents to their church are deductible as charitable contributions if the church-sponsored mission trip involves "no significant element of personal pleasure, recreation, or vacation." • Parents' payments can be reported by the church treasurer on giving statements (if expenses are \$250 or more, the church's receipt must comply with substantiation requirements). |
| Minors | Parents | No | <ul style="list-style-type: none"> • Payments made directly by parents to their children who participate on a mission trip are probably not deductible as a charitable contribution. |
| Minors | Minors | No | <ul style="list-style-type: none"> • None, since minors generally file no tax returns and cannot deduct contributions. |

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