

## 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"> <li>• None</li> </ul>
Adults	Church	Yes, from participants, in the amount of their travel expenses paid by the church	<ul style="list-style-type: none"> <li>• 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."</li> <li>• 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 on contribution statement).</li> </ul>
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"> <li>• 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."</li> <li>• 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 on contribution statement).</li> </ul>
Adults	Participants	No	<ul style="list-style-type: none"> <li>• 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."</li> <li>• 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 (not on contribution statement).</li> </ul>
Minors	Church	No	<ul style="list-style-type: none"> <li>• None</li> </ul>
Minors	Church	Yes, from parents in the amount of their travel expenses paid by the church	<ul style="list-style-type: none"> <li>• 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."</li> <li>• 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 on contribution statement).</li> </ul>
Minors	Parents	No	<ul style="list-style-type: none"> <li>• Payments made directly by parents to their children who participate on a mission trip are probably not deductible as a charitable contribution.</li> </ul>

Minors	Minors	No	<ul style="list-style-type: none"><li>• None, since minors generally file no tax returns and cannot deduct contributions.</li></ul>
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