

SHORT-TERM MISSION TRIPS

A Review of the Tax Consequences

PARTICIPANTS	WHO PAYS TRAVEL EXPENSES (TRANSPORTATION, LODGING, MEALS)?	DOES THE CHURCH RECEIVE DESIGNATED CONTRIBUTIONS FROM PARTICIPANTS OR OTHERS?	TAX CONSEQUENCES (ASSUME THAT THE TRIP WAS PREAUTHORIZED BY THE CHURCH BOARD OR MEMBERSHIP AND FURTHERS THE CHURCH'S EXEMPT PURPOSE)
Adults	Church	No	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 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 described in this chapter).
Adults	Church	Yes, from nonparticipants, to cover the travel expenses of participants who cannot afford to pay the expenses themselves	<ul style="list-style-type: none"> • Payments by nonparticipants to their church are deductible as charitable contributions if the trip involves "no significant element of personal pleasure, recreation, or vacation." • Nonparticipants' 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 described in this chapter).
Adults	Participants	No	<ul style="list-style-type: none"> • Unreimbursed travel expenses paid by participants are deductible as charitable contributions if the trip involves "no significant element of personal pleasure, recreation, or vacation." • If a participant is entitled to a charitable contribution deduction for unreimbursed travel expenses of \$250 or more, the church must issue an "abbreviated written acknowledgment" for the participant to substantiate a deduction.
Minors	Church	No	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 not deductible as charitable contributions unless the funds are made "in trust" to the church or in some "similarly enforceable legal arrangement for the benefit of the church." <i>Davis v. U.S.</i>, 495 U.S. 472 (1990).
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	None, since minors generally file no tax returns and cannot deduct contributions.

