

BeyondPAA Contributions Policies

BeyondPAA is the name of a fund developed by Portland Adventist Academy to assist in the funding of mission and service trips that PAA students are participating in. Identifying the role of BeyondPAA in this process has the following advantages:

1. Providing greater coordination of opportunities for student service, learning and growth.
2. Clarifying necessary processes for group travel, documentation, and safety.
3. Providing a communication hub where information can be obtained for all trips.
4. Being the financial clearing house and record keeping center for all mission and service journeys.

Mission/Service Funding

Mission and service trips for students provide incredible opportunities for service, learning and leadership development. Whether the trip is a state away or halfway across the globe, there is a tax benefit available to people donating towards the project and/or journey.

Things to consider:

1. In order for the contribution to be tax deductible, the short-term project must be an approved effort of the school. The project may be directed by staff members or directed by an outside organization with multiple participants from the school, but PAA can only collect tax-deductible funds for programs that they have approved of.
2. In order for the contribution to be tax deductible, the school must have ultimate control/discretion as to how the money is spent. This means that:
 - a. If goals are exceeded, the school will use the funds to assist in future projects.
 - b. Donors cannot get their money back if a participant is unable to go.
 - c. The gift is made to the school – specifically to a project – or BeyondPAA in general.

General Donations by non-participants

All donations to the projects are tax deductible as long as the school is in full control of the funds.

Examples:

Cash donation given to school – tax deductible

Cash given to individual to be turned in for trip – not tax deductible

Check payable to PAA, memo for mission trip – tax deductible

Check payable to PAA, memo for person – not tax deductible

Funds Raised by School

Fundraising activities/events may be done by the school or by individuals involved in the trip. They must follow guidelines to ensure that funds are handled properly and that the tax-deductible status of the donation is maintained.

1. All checks must be made to the school – not individuals
2. Cash donations should be collected and counted by at least two adults – then turned in as a lump sum to the specific project account.

3. All funds collected must go directly to the school account – not to an individual's account who then writes a check for the total.
4. No one should be paid from the cash collected at a fundraiser. All donated funds must be deposited, then expenses paid. This provides accurate accounting and proper controls over receipts and disbursements.
5. Trip participants may not receive credit for assisting in the fundraiser. The funds must go toward the overall cost of the trip. If individuals are given credit not only does it create issues where tax deductibility is concerned, but it crosses a line of students becoming employees of the school. All funds given to student projects must be shared equally among all students involved in that project even if not all students participated in the fundraiser equally.

Fundraising by individuals

Students will be encouraged to assist in raising funds for BeyondPAA trips. Guidelines must be followed in order for the contributions to be considered tax-deductible. Key points:

1. The donation should not be designated to an individual
2. The organization must have complete control over the use of the donated funds.

All checks received must be free of any connection to an individual and if participants in the trip change or are altered in any way, the donations remain in the project funds.

Donations by Participants

Since trip participants have the potential to receive personal benefit from a trip, the rules for the donations of participants and participant parents are different. A clear accounting of costs and benefits must be documented, to ensure that the correct portion of their contribution is tax-deductible.

Although trip participants cannot deduct the value of their services during a mission trip, they may be able to deduct some amounts they pay in giving services during a mission trip. The amounts must be:

- Unreimbursed
- Directly connected to the trip
- Expenses they had only because of the services given
- Paid by the participant or his/her parent (if a dependent).

The deduction for travel expenses will not be denied simply because the participant enjoyed providing services to the charitable organization. Even if the participant enjoys the trip, a charitable contribution deduction can be taken for travel expenses if the person is on duty in a genuine and substantial sense throughout the trip. If the person has only nominal duties, or if for significant parts of the trip the person does not have any duties, travel expenses cannot be deducted.

Deductible travel expenses include:

- Air, rail, and bus transportation
- Out of pocket expenses for your car
- Taxi fares and other costs of transportation between the airport and lodging
- Lodging costs
- The costs of meals

Non-deductible expenses include:

- Immunizations or travel prescriptions
- Passport and visa costs
- Personal purchases and souvenirs
- Sight-seeing and recreation expenses

Travel expenses are deductible only on days where mostly charitable work is performed and there is no personal pleasure involved (besides the pleasure of ministry). Travel days are considered work days.

To prove the extent and duration of volunteer services, the trip leader should keep an itinerary of the entire trip. The itinerary should separate those times when the participants are on duty for the charitable organization from those times when the participants are free to choose his or her activities.

Donations by participants should be tracked separately from non-participants, and appropriate documentation (receipts, work itineraries, etc.) must be available. A proper written acknowledgement of donations and tax-deductible status can be issued to participants by the school after the trip's completion. Examples:

1. Mission trip costs \$1000 per person and is 8 days long. 2 days for travel, 4 days for work, 2 days for sight-seeing. Jim contributes \$1000. For Jim the tax deductible amount is \$750. 6/8 of the total.
2. Same trip. Jim contributes \$800 and helps the school fundraise so that each participant receives \$200. Tax deductible amount is \$480. 6/8 of \$800.
3. Same trip. Jim contributes \$1500. Tax-deductible amount for Jim is \$1250. 6/8 of the \$1000 cost plus the full \$500 that was added.

Participants cannot trade sponsorships in order to make their donations fully tax-deductible.

Extra material:

Some Business travel limitations that may be relevant to the above:

1. IRS prohibits the deduction of travel expenses that may appear to be a vacation (sounds familiar). To define business trips you must define between business days and personal days. It is a business day if:
 - a. You are traveling
 - b. Your presence was required for a business meeting
 - c. You conducted significant business
 - i. The majority of the day is spent conducting business
 - ii. Days not counted as business must be personal
 1. On personal days no travel, lodging, or food is deductible
 - d. Transportation expense must be prorated by the ratio of business/personal days
 - e. If more than half the days are personal days then none of the expenses qualify as a business expense.

References:

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