

Legal Issues on the Mission Field

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Planning & Preparation for Missions

Legal Issues on the Mission Field

Visas...Taxes...Reporting Missionary
Funds...Property...Insurance...Retirement

Preparing for your Journey:

The design of this course is to assist, help, inform, and prepare you in the calling that God has put in your life.

Visas...retirement...taxes...property ownership...insurance...evacuation funds...reporting missionary funds, are issues that you must face and act upon. They will not supersede or contradict your calling. They must not contradict the Bible. God has given us a complete book that will carry us through any circumstance we might face on this journey. Our sovereign God would never lead us into a situation where there is no answer.

Keep in mind that this is not a secular job where you negotiate your salary, retirement, benefits, stock options, etc. It is focused on God and based on His Word. To successfully negotiate this journey depends on our faith and willingness to step out of the boat of self-reliance and trust Him to finish the task.

Wisdom Needed:

Daniel 2:21 And he changeth the times and the seasons: he removeth kings, and setteth up kings: **he giveth wisdom unto the wise, and knowledge to them that know understanding:**

Make wise decision. This means that you are living in wisdom, and he will give you more as needed. Don't get ahead of God and confuse living by faith to neglecting those things that God has shown us in the Scriptures. To illustrate this. One may not like the deputation journey and become impatient and say, the need is greater than the time needed to raise my support, so I am going by faith. We will experience needless suffering by not following these principals. Some may take years to raise their support, why? lazy...procrastinate...lack of knowledge...stubbornness...

Missions:

Ben David Sinclair page 8 missionary partnership defines missions as...
“missions as the sending forth of God-ordained servants who are willing to cross geographical, cultural, and language barriers to proclaim the good news of the special revelation, salvation, and sovereignty of the Lord to all peoples in all regions of the world.”

The New Testament would describe missions as a church planter, one who makes disciples.

Mission's theme found all through the Bible

Harold Lindell...Missionary Principles and Practices...describes *“The Bible is a **missionary** book, and the source of its missionary zeal lies in the heart of God Himself. Jesus Christ is God's missionary to a lost and dying world, and the entire sacred canon is a description of God reaching down and reaching out toward sinful man for the purpose of redeeming him”*

Where do we focus our attention when it comes to missions?

During mission conferences we focus the attention on the human need for reaching the lost. While we understand that world evangelism is important and promoted in God's Word. We have made it the starting point. Our focus should be on God. He created us for fellowship...He wants all to know of his love and salvation. God must be glorified by all people of the earth. It starts with God. **Isaiah 6:8** **Isaiah first of all had a vision of God**, this was before he offered himself for service. 6:1-4 this completely changed his life. Missions begins here. **Then he saw himself undone.** 5-7 He humbled himself before God. This is when the servant will listen to God. The need of the lost had not changed...But Isaiah's view of God changed, and this is what made the difference.

We must never lose sight of this throughout our ministry. Success can often drive us to elevate ourselves and lose the focus and purpose of what God has called us to do. When He is lifted up, He will draw men to himself. Are we directing the lost to him or ourselves?

John 12:32 And I, if I be lifted up from the earth, will draw all men unto me.

A proper view of God persuaded Isaiah to volunteer. A proper view of God will keep the Church on the right path when it comes to missions. Someone said *“The spirit of Christ is the spirit of missions. The nearer we get to Him, the more intensely missionary we become.”* Abraham surrendered as a foreign missionary after a call and encounter with God. Geneses 12:1-4 He was not called by the missionary stories or the great need but because of his personal walk with God.

The disaster, failure is when we focus on the need only. Look at the beginnings of **Moses**. He had the best training and education in Pharaohs court. But he failed miserably when we took things into his own hands. **Exodus 2:11-15** He looked upon his brethren... saw their burdens...saw an injustice...he waited until no one was looking...and then hid his act. Little did he know that someone was watching, a Hebrew man that Moses rebuked for fighting with another Hebrew. But more than that, God was watching. Moses had to learn a great lesson here. God’s way or your way?

His calling, His excuses, His God, His Message, His trials, his deliverance. **Exodus 3:10-22** May I say here that we have a tendency to say, yes but that was Moses and Israel. We might think that their situation was more important than our calling. REMEMBER IT IS NOT ABOUT YOU BUT GOD! Whether it is Moses or the widow of Zarephath **1 Kings 17:10** , or the widows mites **Mark 12:42**, when what we do honors God he will always make a way.

When it comes to missions we must always look to God and His word for instructions. Who are we doing this work for? Is it just a job? Are we going in our own strength? Are we building our kingdom or God’s? It must be all about him.

How will we approach these subjects:

Visas...Taxes...Land Purchase...Retirement...Vehicles...Insurance (home, life, vehicle, health)...Budgets (support breakdown...Evacuation Plan...Mission Agency or Sending Church Policies...

Missions is not based on visions, dreams, or voices:

2 Peter 1:19 We have also a **more sure word of prophecy**; whereunto ye do well that ye take heed, as unto a light that shineth in a dark place, until the day dawn, and the day star arise in your hearts:

We hear many saying, "God told me to go" when they did not have enough support or personal issues in their lives were not resolved. This "Independent spirit" has led many to make hasty decisions that God was not in. We have "a sure word of prophecy" to confirm the path that we take. We have a principal of sowing and reaping, but some will take it to their own interpretation. They will encourage you to give \$1,000.00 and in return God will give it back to you. Make sure that we do not practice tempting God to get what we want. Remember it is all about Him not us.

It is based upon His eternal purpose. **Ephesians 3:1-12** We see that it is not Paul's plan, but God's. God does not change. **Hebrews 13:8** Jesus Christ the same yesterday, and to day, and for ever.

And before the foundation of this earth His plan was established.
Ephesians 1:3-6

God's Plan for Global Outreach:

1 John 1:1-12 Love, Truth and Joy. Verses 1-3 speaks of these things that must be present in the church and its members. Words like "wellbeloved" (agapētos). There was a special relationship with this believer. John now around 90 years of age full of experience has seen the ups and downs of Christianity.

He warns of the anti-christ and those that would oppose the truth. From the very beginning Satan has tried to distort the truth and man throughout history has done the same. **John 8:32** And ye shall know the truth, and the truth shall make you free.

John was concerned not only with his financial needs but also his health. Just as we see missions all through the Scriptures, we also see the care that God has for His children. We tend to focus on the call, financial needs and field of service. We often neglect to recognize these other

important issues of taxes, health insurance, life insurance, car insurance, visas, property, church buildings, work fund.

Truth comes from God and His Word. We will defend all that we do from it. Gaius was recognized for one that had stood for the truth.

Safety With God:

The safest place on earth is to be in the **center of Gods will**. Saul and his pursuit of David... **1 Samuel 19**.

Why would David have to go through these difficulties? He surrendered to God's will. Seems to be in the center of His will. He is serving and yet treated so badly by those in authority. God will take care of His servant and protect him from those that seek to do him harm.

Christian Liberties and Sound Principals:

There are principals that God has established in this plan of reaching the world for Christ. At the same time, He gives us examples of liberties that must be guided within the boundaries of Scripture. Paul is teaching on the subject of love in **1Cor. 8:1** **1 John 4:8** He that loveth not knoweth not God; for God is love.

Veron McGee "Knowledge blows up like a balloon or like an automobile tire. Love doesn't blow up, but it fills up. Love for God and love for others should determine our conduct. Knowledge alone puffs up and tends to make us harsh in our dealings with others. This is a danger with a great many people who feel that they have a lot of knowledge and yet in reality know very little."

We are governed by love not knowledge. **1 Cor. 8:3** We are not to live by superstition. God is saying that this meat offered to idols is nothing because an idol is nothing. And yet there are those that are babes in Christ where this may have an impact in their lives. You will reach people that will have to be grounded in the truth. Just because they get saved does not mean they have forgotten and left everything behind. Now they will have to grow in God's grace.

1 Cor. 8:9 “Take heed” your liberty might become a stumbling block to others.

We don't live in a perfect world and there are no perfect governments. As we fulfill our calling, we will face many obstacles that will challenge our decision. One would be of paying what one would call a “bribe” in order to get a visa or entrance into a country or whatever. For some this is a real problem for others they see it as a necessary act in order to proceed in the process of getting to their field of service.

But God has given us some sound financial principles.

Financial Principals:

We have seen so far that God has His hand on His servants. He has opened doors and shut doors and sometimes there is just a waiting process. Such was the case with David. Anointed King but would have to wait for events to unfold. Paul in Acts 16 was willing and ready to go but God had a mission that he had to reveal to him. It is not all about us. There are many factors and players in God's plan.

Finances for the work of God is seen. **1Co 9:14** Even so hath the Lord ordained that they which preach the gospel should live of the gospel. When it comes to reaching this world for Christ there is no doubt that God has given us a plan and purpose for this task.

1Co 9:7 Who goeth a warfare any time at his own charges? who planteth a vineyard, and eateth not of the fruit thereof? or who feedeth a flock, and eateth not of the milk of the flock?

1Co 9:9 For it is written in the law of Moses, Thou shalt not muzzle the mouth of the ox that treadeth out the corn. Doth God take care for oxen?
Deu 25:4 Thou shalt not muzzle the ox when he treadeth out the corn.

OT law permitted the ox to eat while it was working.... He is saying Barnabas and I have a right to this also...

He was saying I deserve to be paid but I will not use it.... Liberty here to work or receive support.

Luke 10:7. Laborer worthy of his heir...

Paul was saying that above all he had to preach the gospel.

1 Corinthians 9:16 For though I preach the gospel, I have nothing to glory of: for necessity is laid upon me; yea, woe is unto me, if I preach not the gospel! But he also told us of his life and what was important... that he preach the gospel...and he was not ashamed of it.... His bonds and suffering.

Check List:

Right Positions: We have heard the expression, “everything he touches turns to gold”. There are some entrepreneurs that seem to be successful in most of their adventures, while others fail at every turn. Position is very important when it comes to mission work. If you have ever watched a major league baseball game you will notice that the team in the field will change their location depending on the pitcher and the hitter. You might see the infield favoring one side and it seems there is a whole big enough to drive a truck through, but chances are he will not hit in that direction. Racket ball is another sport where position is everything.

When it comes to missions make sure you are in the right position to receive advice, instruction, and correction.

Right Purpose: Keep your motive in check.

Right Plan...Prototype: biblical...parallel as much as you can from Biblical principles.

Right Planter: Plow and work hard.

Phil. 3:12-17 Not as though I had already attained, either were already perfect: but I follow after, if that I may apprehend that for which also I am apprehended of Christ Jesus. 13 Brethren, I count not myself to have apprehended: but *this* one thing *I do*, forgetting those things which are behind, and reaching forth unto those things which are before, 14 I press toward the mark for the prize of the high calling of God in Christ Jesus. 15 Let us therefore, as many as be perfect, be thus minded: and if in any thing ye be otherwise minded, God shall reveal even this unto you. 16 Nevertheless, whereto we have already attained, let us walk by the

same rule, let us mind the same thing. 17 Brethren, be followers together of me, and mark them which walk so as ye have us for an ensample.

Right People... your counselors... advisers...mission agency...church sent... you will not agree with everyone, you are liable to God. Music...dress...worship services...missions...support...raising funds for buildings or trying to raise income for national pastors

Retirement plans, make sure they are set up right. If it is set up wrong, you may be liable to pay unnecessary taxes. Example of Onesimus...Paul spoke for him... where did he get the funds to help.

Right Partition: Put up defenses, they will help you when the attack of the flesh come. **Ecc 10:1** Dead flies cause the ointment of the apothecary to send forth a stinking savour: so doth a little folly him that is in reputation for wisdom *and* honour.

Right Pilot: You are the leader... good spiritual leaders follow God. Make sure your passengers (family, church) are secure.

Right Prayer...Patience...Peace...Path...Persistence... In the life time of a missionary they go through many changes... call...choosing a field...deputation...departure...training and language study... working with other missionaries...on your own... mistakes... ups and downs...bad investments... wrong decisions... too hard on the people to soft... lack of patience, leads to hasty decisions. And when you come to the end of your life you say if I could do it over again, I would make definite changes.

Right Perception, Prospective, Precaution: discernment... knowing the times... seeing through the eyes of God and His Word.

Visas: Worldwide New Testament Baptist Missions

from Missionary Nick Zarrella, missionary to Japan

It is always good to hear from you. We are readying and it is very exciting, but it is also a very tiring process (especially when you add 2 little children!). The Lord has been good to us, and we are very thankful.

I will be straightforward, the legal side of life is not my forté. I'm not well-versed on these types of things and often find them to be very confusing. I am probably not alone in this. We have finally received our visas for Japan, much helped was afforded to us and we were then able to take what we learned and give some other missionaries preparing to apply for a visa in Japan the knowledge we learned through it all. It can be a complicated process in some way, shape or form.

The below email appears to cover most of what I think a missionary may encounter in any given country. Something you may want to add is the possibility to have to go through a non-religious route all together. Certain countries will not allow any type of religious/evangelistic visas, thus a missionary has to enter via other distinctions (business visa, etc.) I'm not sure if that qualifies as an NGO, but I know missionaries have to

enter countries like China, Mongolia, and I think even Sweden with other secular type of visas since they do not allow missionaries.

What we went through was generally covered in the email below. Each country has their specifics, but the generalities you outlined can then be applied specifically once the process starts and certain requirements are given. A distinction you can make is to make sure of the legalities involved with your wife and children's visas. I know you made mention of that, but if it is done incorrectly it can lead to quite a headache.

Originally, I was going to apply for a religious visa (as opposed to a dependent) for my wife. I figured that made more sense since she was also in the ministry with me. Praise the Lord, just before the application was sent for approval, I learned through a missionary that I should not do that for Japan and that Lorena should be a dependent. The reason being is that if she received a religious visa, she would have to file her taxes in Japan and show how/where she is receiving income. As all of our missionary finances are technically received under my name, she is herself receiving 0 income. This would have caused quite a headache for us during tax season in Japan. With her entering as a dependent, she is then placed under my "umbrella" of financial income; as are our children.

I think what I am saying in one too many words is that it is very important to have 100% assurance before formally applying for a visa for the whole family. If we continued to apply without being corrected, we would have been praising God that we received our visas... until later on while we were already in the country and would have had to deal with that major headache of Lorena's taxes (for which I don't know what the ultimate end of that might have been).

One further mention you might want to address is the timeframe of receiving a visa and how long they allow you to remain in the states before the visa expires (even a long-term visa). Japan, for example, required us to first apply for a **CoE** (explained below) which could take up to 3 months to receive, and then our visas in the states (which depending on one's state Consulate, could take between 1 week to 2 months). Once we received our formal visas, we then have 3 months to move to Japan. If we do not move in 3 months, we have to reapply for everything from the beginning.

For the **CoE**, we were required to first apply through a local in Japan (that individual had to apply on our behalf as our guarantor) to receive something called a **Certificate of Eligibility**. That certificate then allowed us to formally apply for our visa in the states at the local Japanese embassy. I am not sure how many other countries have such a system.

The main goal is to find a **clear path** to a visa which means finding the proper type, duration available, steps to take, documentation needed, cost, directions on how to file the application (US or in the country itself), renewal process, expense, and steps, and how the wife and children are covered with this visa or through dependent visas. You want to find this information from reputable sources. Taking thorough notes through your research process will save you from needing to remember all the details.

Steps to finding direction — *(I used the country of Ghana as an example.)*

Whenever you are working on visas, you want to first establish in your own mind the **purpose** of the travel and the desired length of time. Purpose is everything in a visa. Most of the time, a missionary's purpose would be religious. The timeframe may be for as long as possible. In some countries, this means looking at residency options.

First, search online for the US embassy of the country in question. You can do this by searching "US embassy Ghana" or "US Citizens and Ghana." Starting with a US website is often helpful to direct you. If there is a US phone number or email to contact the embassy, be sure to utilize these avenues. Sometimes getting a response from an embassy can take a while, so it is helpful to continue researching while you await their response. Often a link is included to the foreign government's visa site. If you do find a Ghanaian site from the US embassy page, you must still be sure the site is accurate and up to date with the latest information.

While on a foreign government site, see if you can find the date of the publications on the site or the last date an update was made. I do not trust anything older than 2 years. If it is older than 2 years, you will want

to find a more recent source that confirms the accuracy of the laws and regulations. Many countries do not update their websites very frequently. The fun part is finding a website in English. If you are on a government site in another language, look around the site for an option that says “English.” Some government sites will offer both.

If you do not find clarity through these initial steps, your next task is to do a lot of Googling. Start with searching “Visas for Ghana.” Look through the websites that came up in your searching to identify other government websites that may not have been linked through the Embassy’s site. A variety of websites will pop up with the most being lawyers. Although attorney websites can be helpful in pointing you the right direction, you cannot rely on their site being accurate. NEVER base the legality of a step or visa process on a lawyer website without finding the same information on an official government website or through several legitimate sources. Just like we have crooked lawyers in the US, other countries deal with crooked lawyers as well. As a foreigner we have no idea who is crooked and not. You can use a lawyer website to find lingo used in that country for the visa process. If there is a lot of wording about NGOs, you might search “US citizen NGO in Ghana” and other similar phrasing. A lawyer site can also give you some hints to how difficult or not the process might be. If specific laws are cited, take note of these and Google search the law such as “Publication 515 Ghana Law.”

Some other phrases to use in Googling are: Religious visas for US citizens in Ghana/ Residency for US citizens in Ghana/ How can US citizen go to Ghana/

Mix your phrasing up when you search so that the browser pulls from a variety of sources each time.

Communicating with a customer service person in the government by phone or email is another option if English is available, but keep in mind that someone telling you information over the phone should always be backed up by some sort of written documentation. Ask them to direct you to the part of their website or a law from which they are speaking with authority. Ask who you should call back if you think of more questions. If appropriate, ask for their direct number or extension number to speak with them again. Sometimes it is beneficial to call the

general number back and ask the same questions of another person to see if they give you the same answer. If you know you will be speaking with a foreigner, you might find it helpful to quickly search online for tips or things to be aware of when communicating with business people of that country.

Contacting other missionaries/agencies —

If you are still coming up short on solid information, then it is time to contact individuals who already went through this process. Find a few mission agencies with missionaries in the country already. Field directors often know a number of missionaries in the region even with other agencies. It is helpful to prepare a list of questions in advance of the conversion or to email them your list. I usually preface it by asking them to answer based on their comfortability. Some organizations or missionaries are hesitant to help or advice other ministries.

Here are my typical questions:

1. When did your missionary (or you) arrive on the field?
2. What visa methods did your missionary (or you) use to get into the country?
3. Does the missionary (or you) have residency?
4. How often can the missionary (or you) leave the country?
Emergency departures?
5. Does the missionary (or you) know what the renewal process is like?
6. Can the missionary (or you) move about the country freely with their current status?
7. Has the missionary (or you) left and returned to the country yet?
What was the process like?
8. How much did the process cost the missionary (or you)?

9. Did the missionary (or you) hire any legal assistance for the process?
10. Was the help of a National necessary? If so, can you recommend someone and tell me how you met him?
11. What was the main source of information?
12. Have you heard of any other alternative methods to get into the country?
13. Do you know of anyone else using the same method as you?
14. Do you know of anyone using alternative methods?

A few things to keep in mind when receiving feedback from other missionaries/agencies —

1. Many people will feel very confident in their method of residing in a country. This does not mean they are right, nor does it mean they are wrong. Sometimes there are multiple ways of accessing a country. Other times, the lack of clarity leaves a missionary in the spot of needing to choose the lesser of two evils and being confident in that and ready to give answer if questioned.
2. Keep in mind that if a missionary has been on the field a while, laws may have changed since they went through the visa process. The method may still work for them because they are “grandfathered in” but the method may not be available for anyone new coming to the country.
3. You will want to find a missionary very familiar with the most recent methods of accessing the country and ask for their sources. If their source is another person, this is not sufficient. The last thing you want to do is send a missionary down a rabbit trail on someone’s second cousin first removed hear-say.
4. When speaking with a field representative or missionary, be sure you sense their honesty about what they know and do not know. If you are having a difficult time finding information online, but a

person is acting like they are an expert in accessing the country, try to figure out if they really are before you start heeding their advice. One of the most helpful field representatives told me, “Laura, I need to start by telling you I am not an expert in this.” God has answered prayer by directing me to and away from mission agencies for help.

5. Be sure to document who you spoke to and what you discussed. I speak from experience when I say there is nothing worse than calling someone back who already made clear they do not care to help you.

Working with a National —

In extreme cases, you may need the help of a National to help you on the ground or to help in establishing a **Non-Governmental Organization** to sponsor your missionary. It is helpful to get a recommendation from an American missionary who received help from a National for the same purpose. I would suggest trying to work with a Christian National if possible. Once you have a potential National to help you, be sure to do some homework on them. Ask for references, ask them to tell their testimony. Ask who led them to the Lord. If possible, contact the American closely associated with the National. Ask the American if they know him well enough to trust him with their personal finances, and do they have any reservations recommending the National to help you for this task. Be sure to communicate clearly with the National regarding your expectations. Remember that Nationals of some countries do not want to disappoint you or tell you no. Try to phrase questions accordingly to still get your answer and give them a way to answer negatively without feeling shame.

Working with an established church/NGO/organization —

In some countries, your missionary may need **sponsored** by an existing organization or Non Governmental Organization. This route can make things interesting. You will want to think of every possible question to discuss with the missionary and organization before entering a sponsorship agreement. Try to think of every possible way this relationship could go sour and take steps to prevent such an event. Writing every facet of the relationship out on paper for complete

agreement and comfortability on both sides is beneficial. Open communication is non-negotiable.

Here are some things to consider listed in no particular order:

1. What are the government's requirements for the sponsoring organization?
2. Does the organization meet all of the requirements of the government?
3. Does the organization care to continue upholding the government's requirements?
4. Has the organization ever lost their status as recognized by the government? When? Why?
5. Does the organization have the means to add a sponsorship relationship?
6. What changes would this relationship mean for the organization?
7. What does the government require the sponsoring organization to submit to the government? On what frequency?
8. Is the organization willing and comfortable providing the government with the needed information? (Sometimes extensive financial records are required.)
9. How long does the sponsorship relationship need to continue to help the missionary gain residency? Is there ever an end?
10. What happens if the organization closes down? Must the missionary evacuate?
11. Does the organization need to process financial support? (Some countries like Ireland do not permit financial support outside of the sponsoring organization.)
12. What role does the missionary play in the relationship?

13. Does the missionary meet all the requirements of the government and the sponsoring organization?
14. What responsibilities does the missionary have in relationship to the organization?
15. Does the missionary have any financial obligations to the organization?
16. Are there any educational or medical requirements of the missionary from the government or the organization?
17. Who will pay the government fees involved in the process for the missionary and the organization?
18. Does the missionary and the organization agree closely enough doctrinally for a smooth relationship?
19. Has the missionary ever seen the organization in person?
20. Has the missionary ever met the head of the organization personally?
21. What are the tax implications for the missionary and the organization?
22. Is there any financial accountability?
23. How close must the missionary live to the organization? Is there freedom to travel or move elsewhere in the country?
24. What is the organization's reputation in the community?
25. What is the organization's attitude and treatment toward people of the country?
26. How are internal conflicts in the organization handled? Is there a pattern or experience in working through internal difficulties?

27. Does the missionary have an emergency exit plan separate from the organization?
28. How are the wife and children sponsored? What about new children? Expenses, etc.
29. Does the wife have any obligations or tasks to fulfill for the organization?
30. Does the wife's relationship with the organization stay the same in the event of her husband's sudden death?
31. If the husband dies, does the sponsorship for the wife end? Must she evacuate immediately? If so, are there provisions for this?
32. Is there a plan to review the status of the sponsorship relationship periodically and adjust if needed?
33. Who is leading in the paperwork process? (Too many hands in the pot can create confusion.)
34. Is there a plan to stay informed of new law changes?

If you run into a situation where an American needs to work with an NGO to access the country, you will want to look at working with existing NGOs and consider the steps involved in starting your own if needed. The steps for researching this route of creating your own would be similar as the visa research above.

Documentation —

1. When assembling documentation, be sure you find out what needs notarized and translated. Sometimes the translation needs done by an official person. I am not familiar with the types, but just be sure you look into this and ask when another language is involved.
2. Think through the use of letterhead. Sometimes it can be helpful to use official looking letterhead, and other times it could be a hindrance if hints of Christianity are on the letterhead. Whether you use

letterhead or not, be sure to keep documentation very organized and professional looking.

3. Keep in mind to use verbiage familiar to the secular world. Refrain from the overuse of religious lingo. If you must use it, consider defining the word.
4. Always keep a scan of the exact documents you submit to lawyers or government agencies. Be sure to properly date documents for your reference so you do not forget what you submitted and when.
5. Do not assume the person processing your paperwork will let you know when it is done. Ask if they will initiate that communication or if you should check back.

Helpful Sources —

<https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html> - This website provides a current list of all travel advisories.

<https://travel.state.gov/content/travel/en/international-travel/before-you-go/about-our-new-products/staying-connected.html> - This site allows you to create an account to keep up to date with advisories. You will find a lot of helpful information on the State Department site regarding travel for US citizens. There is even a list of how to handle life events while abroad.

https://public.govdelivery.com/accounts/USTREAS/subscriber/new?topic_id=USTREAS_61 - This link is for signing up to receive updates from the Department of the Treasury. This department handles anything related to OFAC (Office of Foreign Assets Control) (<https://home.treasury.gov/policy-issues/office-of-foreign-assets-control-sanctions-programs-and-information>) and sanctions. After you enter your email, it gives you a big list of topics they send emails about and you can choose what you want to receive. I opted to receive anything about the countries where we have missionaries serving. I typically delete most of the emails because they are not pertinent, but the emails have helped make me aware of big changes I otherwise would not have known. Every three months, I do a quick search online for each country where we have missionaries serving to see if the US placed any sanctions on the countries. Often sanctions are related to financial

transactions, but there are visa sanctions as well, which can create some retaliation from the country against our Americans trying to get visas.

Financial, Legal, and Practical Tips for Missionaries Compiled by WWNTBM Staff

This document is a collection of articles that we have published to our missionaries through the years. It is hoped this will be beneficial to you. Note that we have not recently reviewed the accuracy of all details, and some financial and tax specifics change frequently. We always recommend that missionaries seek the advice of a CPA familiar with missionaries to gain current knowledge of tax and financial advice. Hopefully this document will spark a knowledge of some of the situations missionaries face, and further research on current information for these areas of responsibility can be researched.

A list of IRS publications that missionaries may wish to familiarize themselves with includes:

PUBLICATION 463 Travel, Gi7, and Car Expenses
PUBLICATION 505 Tax Withholding and Estimated Tax
PUBLICATION 517 Social Security and Other Information for Members of the Clergy and Religious Workers
PUBLICATION 526 Charitable Contributions
PUBLICATION 54 Tax Guide for US Citizens and Resident Aliens Abroad
PUBLICATION 901

Mobile Banking

Mobile banking and mobile deposit are becoming more and more accessible. We have received questions from many of our missionaries in recent months about how to handle funds with regard to mobile deposits. Following are important things for you to know.

WWNTBM recommends all checks be payable to the mission office, as it alleviates certain tax reporting requirements both for the church and for the missionary. However, we realize there are times when a donor will write a check payable directly to the missionary.

1. If you receive a check payable to you, it is fine to use Mobile Deposit options to deposit the funds to your bank. Be sure to list the funds as additional income on Line 2 of your financial report, or to track the

funds for your own personal tax records. *NOTE: Due to visa restrictions, Non-Resident Alien missionaries should never accept funds in the US payable to them personally. Please contact our office if you have questions about this.

2. If you receive a check payable to WWNTBM, you should never attempt to deposit it to your bank using Mobile Deposit. Doing so could create problems for both you and the donor. Please mail the check(s) to the Office, so we can process the funds and put them into your bank account. If you need the funds immediately, before the check would have time to arrive in the mail, please let us know and we will be happy to advance the funds into your account pending the arrival of the check.
3. When mailing checks to the Office, please be sure to make a note of the donor(s), amounts, check numbers, and dates you mailed the items to us. In the rare event the checks may be lost in the mail, this would be important information so you can contact the donors to ask about a replacement check.

Things to Consider When Mentioning Financial Needs to Donors

You may occasionally have financial needs that are not covered by your regular support funds. It is good for your donors to be aware of the needs of your ministry. However, there are some things that you should think through when mentioning such situations to donors. Because of this,

WWNTBM asks that you keep the following information in mind when communicating your needs and contact us prior to seeking designated funds. When WW receives or receipts funds with a specific designation, we become legally accountable to ensure the funds are used for that specific project. This can create issues, because multiple churches may give more than what is required for one designation, and funds are then not available to be used for another need that may arise. Because of this, our recommendation is that funds always be designated simply “as needed for the missionary,” without any additional designations or specifications attached. Where that is not possible, we recommend the following.

First, if you are asking to raise funds for a specific project, we request that you confirm for us in advance that your sending pastor is aware of and behind the project. In order for WW to issue tax receipts for specially designated funds, the Executive Board has to include it in the official minutes, and they prefer to know that your sending pastor is aware of the situation.

Second, there are many logistical items the Office can assist you with. For instance, it may not be advisable to ask donors to mark a gift as “France Building” because we may already have another missionary raising funds with that designation, and it could create confusion for how we would post the donation. Therefore, it is always best to confer with the Office prior to contacting donors, so that we can help advise on the best way for funds to be designated. In addition to the designation, there may be tax implications to you based on the manner in which funds are designated. We can help ensure the best tax situation for you as funds are received.

Third, we always recommend that donors make checks payable to WW, rather than to the individual missionary. Although we do have the ability to cash checks in your name, this makes for a smoother process and can avoid unnecessary tax paperwork for the church and the missionary. (If a church makes funds payable to you in the amount of \$600 or more over the course of the year, they are required to issue a separate 1099 to you, even if the funds came through WW. In addition, if you are not a US citizen, there may be other tax and visa implications for you.)

Finally, we often see situations where designated funds arrive in our office for needs mentioned in passing or in a prayer letter but for which the missionary was not intending to solicit funds. Please be aware that the same procedures for Executive Board approval of designated funds apply regardless of whether you intended to solicit funds or not. Because of this, it is our policy to reach out to you and ensure that it is a legitimate need, and one of which your pastor is aware, before we process the funds. Thank you for your understanding. If you have any questions please reach out to our staff.

Planning for the Future

“Be thou diligent to know the state of thy flocks, and look well to thy herds. For riches are not for ever: and doth the crown endure to every generation?” – **Proverbs 27:23-24**

“For the children ought not to lay up for the parents, but the parents for the children.” – **II Corinthians 12:14**

Scripture clearly teaches the principle of planning for the future, and making preparations to care for succeeding generations. Missionaries often focus so much attention on getting to the field and the resources needed for ministry, that they forget about this important area. We daily focus on telling others about the brevity of life. As we encourage others to plan for their eternal future, let us not forget to plan for our earthly future.

Practical steps you can take to ensure peace of mind for your family:

1 – Make a Will • You and your spouse should have individual wills, which include instructions if you are survived by your spouse, or if you and your spouse both pass at the same time. • Decide who will be your executor. • Decide who will care for your children. • Decide who will receive your belongings. • Decide what items will go to specific individuals (wedding rings, family heirlooms, etc.). • Decide on amount(s) to give to charity. • Decide who will care for pets. • Be sure all names in the will are spelled correctly to avoid delays. • Do not sign your wills until you are in the presence of a notary public, and two competent witnesses unrelated to you who are not beneficiaries to the will!

2 – Prepare Other Legal Documents • Designate Power of Attorney(s) to handle financial matters. • Designate Power of Attorney(s) for health matters. • Consider having your spouse as a co-signer on all financial accounts. • Consider having your spouse as a co-owner on all vehicles and property.

3 – Obtain Life Insurance • Consider funds to cover funeral expenses and possible repatriation of remains. • Consider the possibility of moving your family home from the field. • Consider any one time expenses you wish to fund, such as paying off any outstanding debt. • Consider income to help your family into the future.

4 – Consider Funeral Preparations • What can you record that will be helpful to loved ones who will need to make difficult decisions during an emotional time? • Where do you wish to be buried? Page of 4 24 wwntbm.com

Updated on Monday, August 15, 2022 **Financial, Legal, and Practical Tips for Missionaries Compiled by WWNTBM Staff** • Are there specific verses or songs that are special to you? • What are significant dates in your life, including your salvation and call to service? • Do you have a preference for a tombstone?

5 – Create a Legacy Drawer • This is a single location to store all important documents. • Include a list of all financial accounts, with account numbers, contact information for the financial institutions, and passwords to access online details. • Include documents such as Birth Certificates, Social Security Cards, Passports, Wedding License, Deeds, Titles, etc. If originals are in a safety deposit box, include copies and details of how to locate originals. • Include copies of tax documents for prior years, as well as the name and contact information for your tax preparer. • Include passwords, combinations, usernames, PINs, etc. Be sure to include information about your online presence such as social media accounts and personal websites. • Click here to view Dave Ramsey's complete article for more details.

6 – Plan for Emergencies • Ensure that someone close to you on the field has a way to contact your family, sending pastor, or the mission agency in the event that something happens to both you and your spouse. • Keep the contact information for the local Embassy easily accessible. • Review your health insurance coverage on a regular basis: Have you had major life changes? Do you have sufficient coverage for all family members? Do you have policy coverage both in the US and overseas? • Outline an evacuation strategy: How will you pay for it? Where could you go if needed? How could you travel? If you need to evacuate by car, do you know what route(s) to take?

Resources:

Recommended Advisors

Accountant...Investments Advisor
Life Insurance Agent
Banking Advisor

Attorney

Websites

DaveRamsey.com

LegalZoom.com

MamaBearLegalForms.com

Travel Homes, Ministry Expenses, and Itinerant Status

If a missionary owns a RV, there are special considerations for reporting the expenses.

If this is your only residence:

Expenses related to repairs and upkeep of the home may count as a Housing Expense if you have an approved housing allowance in place. We recommend consulting your tax preparer about this possibility.

Missionaries may not claim a Lodging Expense or a Meal Per-Diem, unless they travel to a church where they do not take the RV. **If this is not your permanent residence:**

Expenses related to repairs and upkeep may not be counted as a reimbursable ministry expense. Therefore, if it is a motor-home they may claim the mileage rate for ministry miles driven, but should not use the actual expense method for this.

Actual costs of a campsite rental may be listed for days in which they were involved in ministry.

You may claim a Meal Per-Diem, as long as you are away from home overnight due to a ministry related purpose. "Away from home overnight" is defined as traveling away from your tax home and being far enough away that a reasonable person would not try to return to his/her tax home in the same 24-hour period. If you are on a trip that is part ministry and part personal, you may claim the Meal Per-Diem only on the nights that you have a meeting, not for the entire trip.

Ministry Travel Expenses and Itinerant Status (i.e. no permanent location)

We often generalize the guidelines to state that meal allowances are based on nights spent away from home for ministry. However, there are several factors we consider when reviewing the reports. These include • Required presence test: Was your presence required to be away from home for the time period in order to perform your duties? • Reasonable person test: Under normal circumstances would a reasonable person spend a night away rather than returning home? • Rest requirement: Did your duties require you to be away from home to the extent that you needed to sleep or rest to meet the demands of your work away from home? • Primary purpose of the travel: Were the travel dates primarily planned because of ministry requirement vs. personal plans or personal convenience?

Illustration 1: If speaking at a one day conference 60 miles away, it is not unreasonable that an individual would drive home late at night to be home with his family and spend the night in his own bed. However, if he was required to be at the same location 60 miles away for several days until 11:00 at night, and to be back on location by 7:00 each morning, a reasonable person may also elect to spend the nights away because of the need for sufficient sleep between multiple days away from home. Alternatively, if the location were 20 minutes away, regardless of the lateness and earliness of the hour, he would reasonably return home each night.

Illustration 2:

When you have several scheduled meetings back to back over a several week period in the South, your presence is required at the scheduled meetings, and it may not be reasonable to return to MI in between two Sunday meetings. Even though the meetings are a week apart, it makes sense to remain in the South rather than traveling back and forth from MI to the same area each week, given the distance and time involved in the travel. However, when scheduled meetings are several weeks apart, it would be reasonable to assume you could have returned home between meetings.

We definitely recognize the benefit of drop-in meetings and how they can enhance your ministry, especially when you are already at a location and have time between meetings. Unfortunately our CPA has advised us that it is difficult to substantiate a business purpose of being away from home (and thus claiming expenses) if the extent of the activity is dropping into churches to introduce yourself, which could easily be done over the phone from MI. In other words, an entire trip cannot be based on the intention of drop-in visits. If you have meetings scheduled on two consecutive Sundays, dropping into another church service on the Wednesday night between the meetings is definitely a way to make contacts. But, being away from home for several weeks for the sole purpose of dropping in on unscheduled meetings does not seem to meet the standard of a ministry requirement to be away from home. In addition, traveling to a meeting and then extending the trip for the sole purpose of drop-in meetings likely would mean the initial trip would count but the additional days the trip was extended would not count for meal allowances.

Keep in mind, IRS guidelines are written assuming you as the primary individual are the only one “required” to be at a meeting. Obviously, we understand the benefit from a ministry perspective for your family to travel with you. We also realize a practical benefit of extending a trip, given your ability to contact pastors, etc., from any location. When you factor in things like wear and tear on the truck and trailer, sometimes there are often practical reasons not to return to MI in between scheduled meetings. Unfortunately, those practical reasons do not always translate into a substantiating business purpose to claim all of the deductions. Sometimes it helps to think of this from a secular illustration. If you were a sales rep for a national company, and you were based in MI, it makes sense that the company might pay to send you to meetings in other states. However, it is not likely they would want you to be away from your main office for weeks in between meetings. If the location of a one or two day meeting is a long ways away, they may even opt to fly you to the meeting to save costs, rather than having you spend several days of travel each way.

One other thing to clarify or reiterate is that, when we refer to “home,” we are referring to tax-home, which is the primary location where you perform the majority of your business. For missionaries, that tax-home is

almost always their physical home where they live, eat, sleep, etc. Missionaries with travel homes who do not have a location to which they not only can but do return and live between meetings are considered to be fully itinerant. Missionaries who are itinerant do not qualify for mileage or meal allowances, as they do not have and therefore are never away from their tax home.

Missionary Resources

WWNTBM hosts a website at Missions.Today to provide a place for missionaries to exchange resources, tips about life on the field, and on deputation. We encourage you to make use of this site, submit suggestions, and make this resource available to other missionaries with whom you come in contact. You may submit suggestions by simply clicking here. You may also comment on individual posts, or share them on social networking sites such as Facebook, Twitter, and Pinterest.

Changes in Ministry and your Financial Reports

Changes in ministry can affect the typical expenses you list on your reports from month to month. For instance, someone on deputation will primarily have travel expenses, while someone on the field may have more costs related to renting a building or purchasing nursery snacks and Sunday School supplies. Someone coming home on furlough will be dealing with meal allowances and lodging costs they don't usually see when on the field, and may be using a borrowed vehicle, which must be recorded differently from a vehicle they own. We suggest that you click here to review our checklist of commonly overlooked expenses, to be sure you are claiming all allowable deductions.

Payments or Gifts to Individuals

WWNTBM recognizes that part of the ministry the Lord has called you to may include assisting individuals on the field, whether by giving charitable assistance to those in need or by paying a salary to a secretary or assistant pastor. Unfortunately, these situations can create employment and tax issues both in the US and on the field.

When missionaries pay any form of compensation to an individual in exchange for services rendered for their business (ministry), WWNTBM becomes the de facto employer of the individual. WWNTBM is then liable for employment laws and for issuing tax documents to the recipient. Because the funds for such compensation come from US sources, this is further complicated if the missionary pays an individual who is not a US Citizen.

By paying compensation to an individual, the missionary may also be entering into an employer/employee relationship according to local laws, and could, therefore, be personally liable for any local employment laws.

Business (ministry) gifts to individuals, whether given as cash or actual items, are limited by the IRS to a total deductible value of \$25 per individual per year. Anything above that limit creates a tax situation when you try to claim it as a business expense.

Although as Christians we are commanded to help those in need, not all such assistance meets IRS standards for being tax deductible. For instance, individuals cannot receive a tax benefit for a benevolent or charitable donation made directly to another individual.

World Wide worked with our CPA and tax attorneys to establish guidelines which are beneficial to our missionaries, allowing them to carry out their ministry and remain in compliance with IRS intent. When making payments or donations to individuals, please keep the following principles in mind.

Compensation for services rendered

Any time you are paying an individual in return for something they do, you are compensating them. This includes circumstances we would typically think of as employment (i.e., a secretary, janitor, or landscaper.) It also includes situations where the recipient is required to earn a 'donation,' such as when the missionary agrees to pay a set amount on their school bill for every hour they spend volunteering in the ministry.

The best case scenario for the missionary to pay individuals is to first have their ministry established as a local non-profit. Once that is in place, we can work with our CPA to have the non-profit ministry

recognized in the US as a foreign charity. (This process takes several weeks and currently costs \$350-\$400.) Once the paperwork is in place, WWNTBM can transfer some of the missionary's funds directly to their foreign charity. The foreign charity then takes the responsibility of paying the individual according to local tax and employment laws. This option gives the missionary the tax deduction while relieving them of any personal liability.

WWNTBM will no longer receive funds designated for individuals who are not missionaries with WWNTBM, including funds designated as "national support." All funds received by WWNTBM should only contain the name of the missionary.

Missionaries may not list salaries (i.e., any compensation for services rendered) as reimbursable expenses on their MFRs, except those for individuals who have been previously approved by our Executive Board, (e.g., their spouse or children.) Because of tax withholding issues for non-resident aliens, the Executive Board has voted not to allow missionaries to claim a deduction for salaries paid to non-resident aliens. We recommend that missionaries legally establish their local ministry and obtain US foreign charity status before beginning or continuing to pay compensation to local individuals.

Please note: Personal compensation for non-ministry related tasks is between the missionary and the recipient. For instance, if you pay a for a housekeeper, babysitter, or landscaper at your home, those expenses have nothing to do with your MFR. However, when you pay others for work, and thereby sub-contract with another individual to further the ministry for which you receive US funds, that is when these rules apply.

Non-Compensatory Payments

One fundamental way for the missionary to avoid possible tax issues is to ensure that any donations or payments made to individuals are not given with the expectation of something in return. (e.g., Our ministry will assist with your child's education because we help those with low income; but we do not expect you to lead singing or teach Sunday School as a prerequisite.)

All expenses listed on MFRs should be ordinary and necessary expenses to develop the long-term stability of the ministry within the local culture.

Donations to individuals in the church or general population are allowable expenses so long as they are for the promotion, public relation, or development of goodwill between the ministry and the local people, or the humanitarian needs of the community.

Donations to individuals apart from regular ongoing activities of the ministry as a whole are probably not deductible. For instance, seeing that your neighbor or coworker needs new tires and giving them money to meet that need is an expression of Christian love. But, if it is not the ministry of the church to provide vehicle repairs to the community as a whole, this is just a personal gift to a friend and is not tax deductible to the missionary.

Foreign Non-Profit Organization Status

In the past, transfers from World Wide to an overseas non-profit ministry account created an automatic deduction for the missionary. We recently learned rules exist which govern this deduction. To continue receiving this deduction, we need to go through a process with our CPA to legally establish that the foreign non-profit organization (FNPO) meets IRS guidelines. This process takes several weeks and involves gathering documentation for our CPA. The CPA's review and certification cost \$350 to \$400. Upon completion, a Memorandum of Understanding needs to be signed by officers of the FNPO, agreeing to handle all funds received by World Wide and to comply with local tax laws.

Benefits of this registration include:

Ability to hold ministry funds at World Wide until needed, without claiming the income

Tax deductions for the missionary when personal funds are sent directly to the FNPO bank

Ability to pay local individuals through the FNPO, without 30% withholding on US source income

Protection for WWNTBM and for the missionary from both US and local employment laws (The FNPO becomes the employer.)

If you have an FNPO and have not yet started the process of obtaining this recognition with our CPA, we recommend beginning this as soon as possible. Please contact Laura or Naomi with any questions you may have.

Purchase of Land or Buildings

As you know, funds that come to WW on your behalf belong to you **at the time we receive the funds**. The taxable income can be adjusted with your financial reports, so you don't pay taxes on funds used in ministry. However, purchases of property (land, buildings, vehicles, etc.) **cannot** be listed on the financial reports. This means that if you raise funds for purchasing a property, the entire amount of those funds would be included on your 1099 from us. We have found the best process to alleviate your personal tax liability is for your local ministry to become certified by our CPA as a 501(c)(3)-equivalent Foreign Non-Profit Organization (FNPO). In this way, WW can take funds donors designate towards your land project, and instead of distributing funds to you personally, we can distribute to your certified ministry, thus alleviating your personal US tax liability on the funds.

Expenses for Land

In the eyes of the IRS, anything submitted as a ministry expense becomes "property" of the Office. However, WWNTBM cannot hold title to land purchased by missionaries. Most items on MFRs lose their value over time. However, as land is a non-depreciable item, listing it would create complex tax issues for both World Wide and the missionary, especially if the missionary ever left that field or ministry. Therefore, land can never be listed. If your ministry has been chartered and established as a non-profit organization, we recommend having your ministry get a bank account in its name. Funds for purchases such as land may be able to be sent directly to your ministry, thus eliminating your personal tax liability. Please note that there are limitations to this option, and of course regular support could never be sent this way. Please contact our Office for more info. We also suggest discussing such purchases with

your tax preparer before you raise or spend the money, so that you are aware of how this may affect your personal tax liability.

Expenses for Buildings

Just as with land, WWNTBM cannot hold title to buildings, so you can never list the purchase of a building on your report. However, if you are in a building or remodeling program, some expenses can be claimed, depending on your location.

If you are in a building program overseas, the materials can be listed on Category 14. Since the value of the materials themselves will depreciate over time, this creates no future tax issues.

If you are in a building program in the United States, there are special considerations. Please contact the Office to discuss finances for your building project before you spend any funds, so we can help you to determine the best case scenario for reporting the expenses.

Tax Information

Please note that, while our Office Staff is familiar with many of the IRS regulations that affect missionaries, we are not authorities on the subject. We will attempt to assist our missionaries in any way possible; however, questions which are beyond the scope of your missions status are best directed to a tax professional. Some basic information is provided here for reference. We recommend that missionaries refer to the IRS website at www.irs.gov, and to the IRS Publication 54 for further information.

Tax Planning

If your ministry has been chartered and established as a non-profit organization, we recommend having your ministry get a bank account in its name. This may be able to help alleviate some of your personal tax liability in certain situations. In the event that your ministry is not chartered as a non-profit, or if there are other difficulties in obtaining such a bank account, you should plan ahead for the tax implications of major purchases such as land, which can never be listed on a financial

report. First, we recommend that you consult with your tax preparer before you begin raising money, so that you have an idea of how this may affect your taxes. Second, any time you raise funds for large projects, be sure to increase the amount sent in towards your quarterly estimated taxes. If you anticipate owing \$1,000 or more in taxes, you must submit quarterly payments, or you may be penalized by the IRS. (See below.)

Estimated Tax Payments

Missionaries with WWNTBM have a dual tax status. Even though they receive a W-2, they are still considered to be self employed, and therefore need to pay their own Social Security Taxes. WWNTBM encourages all missionaries to submit quarterly estimated tax payments to the IRS, to alleviate a large tax bill due at one time. This is especially true if you expect to owe more than \$1,000 in taxes for the year, as you may be penalized by the IRS if you owe \$1,000 and you have not submitted estimated payments. IRS Pub 505 gives more details.

Missionaries can submit their own estimated tax payments, or the Office can transfer a specified amount each month from your support account to our tax withholding account, and then send in quarterly estimated taxes for you. Some missionaries like to track these funds on category 18 of their MFR, since they view Social Security as their “retirement.”

Consult with your tax preparer to determine the amount of estimated taxes you should submit, or multiply Line 16 of your Financial Report Cover Sheet by 15%. You may calculate this amount on either a monthly or a quarterly basis, according to prior reports that you have submitted. Be sure to let the Office know the amount you would like to submit.

If you receive estimated tax payment vouchers from the IRS or from your tax preparer, please forward these to the Office for our use in submitting your payments.

Social Security - If you are still enrolled

If you have not opted out of Social Security (because of being ordained), you are still liable to pay into the system.

Although you receive a W-2 from the Office, you are considered to be self-employed, and the Office does not pay into the system for you. We can, however, assist you with submitting Estimate Tax Payments from your accounts.

If you are serving overseas, you may wish to see if your country of ministry has a Social Security Totalization Agreement with the US. This is an agreement that could exempt you from paying Social Security in two countries. This is not the same thing as having opted out, and only affects the years that you are paying into a similar program in your country of ministry. In most cases, missionaries only choose this option if they are sure that they will not return to the US to retire. It is available in a limited number of countries. More information is available on the IRS website. You should consult with your tax preparer to see if this is a good option for your situation.

Social Security - If you have opted out

If you have opted out of Social Security, or are planning to do so, there are some things we recommend that you should do from a common sense perspective to ensure that you and your family are taken care of by planning for your retirement years.

If you are willing to take responsibility for yourself by planning for retirement and having the proper insurance, you will eliminate the risks and experience the benefits of opting out of Social Security.

Term Life Insurance - You should consider having a level term policy that covers about 10 times your annual income. (That's the average amount, but you should check with a professional who will take factors like age, income and specific aspects into consideration.) If you die with children under 18, normally they would receive a small Social Security check. However, if you have opted out, Social Security is not going to be there for your family to count on, so you need to have a life insurance policy in place. You should apply for this as soon as possible. See more information under the Insurance section of this manual.

Long-term Disability Insurance - If you become disabled and have opted out, you will not receive anything from the S.S.I. at all. Check with a professional about this option, as there are exclusions that may apply.

Retirement Savings - If you take the dollars you would be paying into Social Security and put them instead into a 403(b) plan or a Roth IRA good growth stock mutual fund, you will be on your way to retirement savings.

Long-Term Care Insurance - Look into long term care insurance when you turn 60, especially if you are US based or plan on living in the US during your latter years.

1099 Forms

If a church pays funds in excess of \$600.00 per year directly to you instead of making the funds payable to the Office, they may issue you a 1099 Form.

If you have either 1) sent the funds to the Office to deposit for you or 2) reported these funds to us on your MFR Line 2, then these amounts will automatically be included in your tax document from WW. The correct way to show this on your Tax Return is to put the income on a Schedule C, then put it as an expense on that form with a note stating that these funds were transferred to your tax document from WW.

If you have not reported these funds to us on your MFR, then they are not included on your tax document from WW, and you will need to check with your tax preparer about how you should report this to the IRS.

The best way to avoid the issue is to ask all churches to write checks payable to WWNTBM instead of to you personally, so there will be no need for them to issue you a 1099. If you do receive a 1099 for funds that you have reported to the Office, be sure to let the church know, and inform your tax preparer. The Office can also provide a letter verifying that the funds were included in your tax document from WW.

Tax Deadlines

If, on the regular due date of your tax return, you are “out of the country” and a U.S citizen or resident, you are allowed 2 extra months to file your return and pay any amount due without requesting an extension. “Out of the Country” is defined as either one of the following:

You live outside the United States and Puerto Rico and your main place of work is outside the United States and Puerto Rico.

You are in military or naval service outside the United States and Puerto Rico.

Tax Exclusions and Deductions

If you are a U.S. citizen or a resident alien of the United States and you live abroad, you are taxed on your worldwide income. However, you may qualify to exclude from income up to a set amount of your foreign earnings. (This amount is adjusted for inflation annually. For 2016, it is \$101,300.) In addition, you may be able to exclude or deduct certain foreign housing amounts. Refer to the IRS for further information on this subject. You may still be subject to Social Security even when taking the Foreign Income Exclusion for income tax purposes.

The Housing Expense Exclusion (see other sections of this manual) will often only take affect after your Foreign Income Exclusion. Because of this, many missionaries fail to request a Housing Allowance for the years they are on the field, assuming that they will not need it based on their Foreign Income Exclusion. However, it is best to have this in place in the event that you have to unexpectedly return to the US during the year. Our CPA recommends that all eligible missionaries request a Housing Allowance each year.

Charitable contributions may be carried into future years, if they cannot be deducted in the current year because they exceed your adjusted gross-income limits. You may be able to deduct the excess in each of the next five years until it is used up, but not beyond that time. Details of this option are available in IRS Pub 526. We encourage you to discuss this possibility with your tax preparer, as it may be beneficial during furloughs when the Foreign Income Exclusion may not apply.

Foreign Income Exclusion

In order to claim the Foreign Income Exclusion, you must be out of the US for 330 days over a 12 month period of time; however, these days do not have to be in the same calendar year. In order to gain the full benefit

of the Foreign Income Exclusion, your tax preparer may be able to revise your returns based on the actual time you have spent overseas. Because of this, it is vital to provide your tax preparer with all of your travel dates to and from the US. You may also wish to discuss with your tax preparer what dates would be the best travel dates when planning to leave for the field or return on furlough, as this could affect how much you are allowed to claim under the Foreign Income Exclusion.

Child Tax Credits

A significant change has recently taken effect in regards to the Federal Child Tax Credit. It is our understanding that this will affect those living abroad who have children under 17 and who utilize Forms 2555 or 2555-EZ when submitting their tax returns. If this applies to you, you may want to discuss with your tax preparer whether calculating your return without Form 2555 or 2555 EZ will give you a better outcome. Please note that this could also affect the amount you will need to submit in estimated taxes. This is just one illustration of how a professional tax preparer who is up to date on issues affecting missionaries can benefit you. Many tax software programs will not give you the flexibility to choose which forms will give you the better outcome.

Completing Your Taxes

WWNTBM does not complete tax returns for missionaries. However, we may be able to help you locate a tax preparer who is familiar with issues that affect missionaries and those living overseas. Contact the Office if you would like us to provide this information.

Please contact us by January 15th if you would like for us to submit tax paperwork directly to your preparer, instead of sending it to you first. If you request us to send information directly to your tax preparer, we will typically send this at the end of February, to allow for sufficient time to include any end of year statements that may come to our Office for you during February.

We will provide you with the following information at the end of January. You may wish to submit this to your tax preparer:

A copy of your 1099.

A year-to-date copy of the MFR information that you have submitted to the Office. This can be especially helpful if you have completed Categories 17-22, as many of those categories can affect your personal taxes. This will also show your Salary Calculations for the year.

A letter stating how much we have paid out in Estimated Taxes for you during the year.

You should also provide your tax preparer with the following:

1. List of the dates that you were in the US vs. out of the country during the year.
2. Details of any Housing Expenses, to be used in addition to the Approved Housing Allowance that is reflected on your 1099, for use in completing Worksheet 1 of IRS Publication 517.
3. Information on any retirement plans that you may have contributed to during the year, or that you have received a distribution from during the year.
4. Names and Social Security Numbers of all family members.
5. Names and dates of any family births or deaths (children and spouses), as well as whether you were married during the year.
6. US Treasury Department regulations require that if you have any foreign bank accounts, and if the sum total of all of your foreign accounts has ever been \$10,000 or more at any time during the year, you should fill out a TD-F90-22.1 Form. Further information is available on the IRS website at www.irs.gov.
7. You may also need to complete Form 8938, which deals with foreign assets.
8. If you participated in the Healthcare Marketplace, you will need to provide your tax preparer with Form 1095-A.
9. You may need to submit taxes in your foreign country, as well as in the U.S. Consult with a local tax preparer about this possibility.

This may be especially true if you receive funds from that country. In Canada, if your Canadian donations are handled through WWNTBM of Canada, this should not be an issue as funds are included in your Line 1 and distributed via our Office. However, if you live in Canada or if Canadian funds were given directly to you, you will need to consult with a Canadian tax preparer.

Advantages to Using A Certified Tax Preparer

Our Staff seeks to assist in any way possible with questions concerning the IRS. However, we are not certified tax professionals. Therefore, we encourage all of our missionaries to procure the services of a certified tax preparer. We have compiled a list of some of the advantages to using a professional.

Professional tax preparers specialize in IRS regulations that change from year to year, and therefore will have knowledge of the current tax codes that apply to your situation.

Missionaries have many special tax circumstances that do not affect the general public. In addition, those living overseas may have special tax circumstances in dealing with Foreign Earned Income and taxes in foreign countries. A professional tax preparer will be able to recognize and assist with properly recording these items on your return.

Many missionaries own homes in the US that are rented out while they are overseas. This income, and related expenses, is not eligible to be recorded on World Wide financial reports. A tax preparer will have knowledge of laws that apply and be able to assist with recording these items on your return.

Tax preparers can help you to plan when and how to withdraw retirement funds, and will be able to give guidance concerning the tax implications of these decisions.

From time to time missionaries may have expenses which cannot be listed as ministry on financial reports, due to the guidelines set forth in our Accountable Reimbursement Plan. However, these items may still be able to be itemized on your taxes; a tax preparer would be able to assist with this. One example of this would be items that you sell on a

book table, as the expenses and income for these cannot be listed on your financial report.

There can be tax implications concerning the Foreign Income Exclusion, which will affect the best dates to move to the field and to travel to the US for furlough. Your tax preparer can assist in modifying returns for the appropriate years, to ensure that you get the full benefit from a partial year spent overseas.

Our manual gives many details concerning housing expenses. However, each situation may be different, and there may be special circumstances for your particular case. Tax professionals can assist you with this.

Tax professionals can give you guidance about Social Security and Medicare, as well as assist you in calculating how much you should set aside each month for Estimated Taxes. Most missionaries who end up owing taxes are paying Social Security taxes as opposed to income taxes.

Tax professionals may be aware of special deductions that can be itemized on your return, which you would not have thought of including.

If there is an error in your return, a professional will be able to assist you in resolving the issue with the IRS.

Studies have shown that the average person who uses a tax professional, instead of filing their own taxes, receives a much greater tax return. When comparing the returns of those who self file vs. those who use a tax professional, it is estimated that a self-filer loses between \$297 and \$791 in missed refunds. The savings far exceed the amount spent to hire a professional. (Statistics taken from daveramsey.com.)

Leaving for the Field

Following are some general suggestions of items to consider as you prepare to move to the field. Please contact our Office if we can in any way assist you with paperwork or other procedures as you work towards this important date.

Please be sure the Office is aware of your travel dates.

Consult with your tax preparer about how travel dates can affect your taxes.

Please check with the Office to be sure all of the following paperwork is on file and up to date:

1. Missionary Information Sheet
2. Power of Attorney Form for both the husband and wife
3. Support Estimate (You may wish to ensure that the average support being received is a sufficient percentage to meet your needs on the field.)
4. Instructions for items you would like the Office to handle for you while you are overseas

Contact any companies for which the Office will be handling your bills, and change the billing address to P.O. Box 725, Kings Mountain, NC 28086.

Submit a Change of Address form to the Post Office.

Cancel any magazines or other subscriptions that you will not need on the field.

Submit a request to the Office in order to claim your language school studies as a ministry expense. This should include information on the name of the school/tutor.

Contact your insurance companies to ensure all policies are up to date, and to notify them that you will be leaving the country. Be sure you are covered for living overseas!

Contact any credit card companies and banking institutions to let them know you are leaving the country. (An out-of-country charge on your credit card may generate a fraud alert; it is best if the company has been contacted in advance.) Be sure you have online access to all accounts.

Obtain an international driver's license. This is issued by the US, not by the foreign country. AAA can assist with obtaining this.

Purchase a document scanner or a scanner app for your smart phone, if you do not already have one. This can be invaluable to your ministry!

Many missionaries have found it helpful to carry with them multiple copies of important family documents for use in clearing customs and applying for status upon arrival in their new country. Be sure these items are packed securely to guard against identity theft. Some items you may want to consider would include birth certificates, passports, driver's licenses, medical records (including dental and vaccination records), insurance paperwork, education diplomas or certificates, and any other vital papers that would be difficult to replace.

We recommend that you execute documents appointing an agent to act for you with regard to medical and financial decisions in the event of incapacity; that you maintain life insurance coverage; and that you execute a will for the distribution of assets and for the care of your children.

Make sure you have your escrow funds in order. At the time of his/her interview, each missionary agrees to maintain return passage funds in escrow before leaving to serve overseas.

Be aware that your ministry expenses will be very different from what they were on deputation.

Preparing for Furlough

Following are some general suggestions of items to consider as you begin to plan your furlough. These steps may help alleviate frustrations as you work through the process. Please contact our Office if we can assist you in any way with paperwork or other procedures as you work towards this important date.

Consult with your tax preparer before purchasing tickets, as your date of travel will affect your ability to claim the Foreign Income Exclusion.

If you will be renting a vehicle from Baptist Missionary Transporters or a similar long term rental agency, be aware that reservations often need to be made a year or more in advance.

When interviewed, missionaries agree to attend Family Week once every four years. Family Week always begins on the third Monday of June. Be sure to put this on your calendar and schedule your travel dates so you can attend.

Prayer cards can easily be designed and ordered in advance, so they are ready when you arrive in the US. Please be sure to supply the Office with 20-30 copies of your new card.

You may wish to update your support estimate prior to returning to the US, so that you have current information to provide to your supporters. We recommend that support estimates be updated at least once every four years, or as you see changes in your family and ministry.

Be aware that housing expenses in the US may not be able to be deducted on your taxes unless you have a Housing Allowance in place. If you are ordained and did not have a Housing Allowance approved at the beginning of the year, you may want to contact the Office to see if the Executive Board can vote on this before you come to the US

Be aware that some financial report items will be different when you are in the US. For example, if you will be driving a vehicle not owned by you, there are different record keeping requirements. Meals and lodging will also be affected. We recommend that you read over at least the sections of the manual dealing with vehicle expenses and travel prior to returning to the US, so you are familiar with these items.

Be aware that your ministry expenses on the field will be very different from what they are on furlough. In addition, you may begin receiving love offerings from churches you visit on furlough, which may increase your overall income. We recommend adjusting your estimated tax payments to allow for these changes.

Be sure to contact your insurance company to ensure that you will be covered while in the US.

Be sure to bring all receipts and financial paperwork with you, so that there is no delay in submitting your reports while on furlough.

While you are in the US, you may wish to consider updating your will, and updating any Powers of Attorney or other legal forms.

Be sure to schedule some time to rest and relax. Don't push yourself and your family to the point of burnout!

Please be sure to let the Office know in advance of your travel plans

MISSIONS SUPPORT AND THE LOCAL CHURCH: Things to Consider When Making Missions Payments

This document is a compilation of recommendations for local churches, based on over fifty years of assisting with processing missions support funds. In addition to practical observations, our staff has spent much time researching legal and financial guidelines from many government agencies, as well as with our team of financial advisors and tax lawyers. We believe these recommendations will assist churches as they focus on giving to those who are going into all the world.

Consider making all funds payable to a missions agency

Benefits

Less paperwork for the church

Churches who write funds payable to an individual are required by law to issue that individual with a 1099 Form, if the total sum of funds given in the course of the year is equal to \$600 or more. Note that this total includes cash donations, as well as donations made by check. However, when a church makes funds payable to a missions agency, this is viewed as a non-profit transferring funds to another non-profit, and the church does not need to issue any tax documentation for the funds.

Less paperwork and record keeping for the missionary

Individuals are required by law to claim as income all funds received in relation to their business, regardless of amount. Since a missionary's 'business' is raising funds to support the ministry, the missionary is responsible to track all income even if it is under the \$600 reporting threshold that the church is subject to. When checks are payable to a missionary, the missionary needs to record this income separately from income received through the missions agency.

This is one reason a missions agency exists

A missions agency will already be responsible to issue a 1099 Form to the missionary for all funds received by the agency and paid out to the missionary during the year. If all funds have gone through the agency, all funds are automatically accounted for and there is no additional record keeping needed.

Downside

In some instances, a missionary may need funds available immediately for a specific need, and it can take time for funds to be processed through the missions agency. However, depending on the situation, the missions agency may be able to make an immediate deposit to the missionary's bank account, so that the missionary can have quick access to funds and the church can still send funds through the missions agency for the accountability and tracking.

Recommendations

Research and learn how each missions agency prefers funds to be designated.

Some may prefer the missionary's name on the check memo.

Some may prefer an account number instead of a missionary's name.

Some may prefer a return receipt stub to be included, which can help the agency quickly and properly process the funds.

Considerations for mailing support checks

Most agencies have the ability to process donations when the church sends a single check for all missionaries supported through that agency. Sending separate checks for each missionary will increase the church's workload and cost, as it takes more time and more supplies.

Be sure you spell names correctly, and include first and last names. Some agencies have multiple individuals with similar names, so the more precise information you include, the easier it will be for the agency to process the funds.

The agency needs to know how to distribute the funds, but they do not need to know other information, such as whether the church is sending funds from their own general fund, faith promise fund, or another specific individual within the church. Sometimes sending too much information with a check can create confusion. Be sure to track information on your records as needed, but know that not all of that information needs to be sent to the recipient of the funds.

Often churches will send mail for a missionary along with a support check. This includes anything from a simple note, to cards, letters, or even packages. This is not always best. It is always a good thing to check with a missionary and the agency before doing this.

- It can be difficult for the agency to keep up with special notes received with a check, and ensure that the missionary receives the note. Often, the item may need to be scanned and emailed to the missionary at month end with other mail, rather than the missionary receiving the actual physical note or card. Sending such correspondence directly to the missionary may enable them to receive it sooner.
- In the case of packages, the missionary may have to pay the shipping for the package to be forwarded to them on the field. In these instances, customs fees can also be exorbitant for the missionary compared to the cost of the item received.

- It is always best to check with the agency and/or the missionary before sending mail along with a support check, or even to the agency mailing address.

Considerations for using automated payment options Bill Pay Services that mail a physical check on your behalf

Pros

Fewer checks for you to write.

Saves on costs of purchasing checks.

May save on postage costs.

May save on staff time involved.

Ensures consistent payments for missionaries on a regular time schedule.

Cons

If you frequently change the amounts or designations of your giving, this type of system can be difficult to maintain and to ensure all information is correct.

Donors who use these services should be sure they are aware what the auto bill payment looks like, and be sure it includes all information needed for it to be processed correctly.

For instance, often the check indicates only the name of the online payment company, rather than the name of the church. This can be difficult for the missions agency to process, unless the check includes a donor account number.

If there is only one option for a memo field on the check, and that is used for the donor account number, it can be difficult for the donor to have a location to indicate for whom the funds are designated. This can also make it difficult for the missions agency to process.

Direct Debit or Direct Deposit Options

Direct Debit allows the agency's bank to automatically debit the church's bank account.

Direct Deposit allows the church's bank to automatically deposit funds to the agency's bank account.

Both options require the church and agency to share bank information including name and address of the bank, name and address of the account holder, routing number, and account number.

For both options, there should be a formal ACH Credit/Debit form obtained and kept in a file. This protects all entities involved and provides proof to the banks, if needed, that the transfers are authorized.

These options tend to be very cost effective.

Again, if wishing to use either of the above options, be sure you clearly communicate with the agency, to be sure all necessary information is included with the transfers. If an agency has 100 churches depositing funds directly into their bank, it can be difficult to track who the funds are from and who they are intended to support.

Online Giving Options

There are many other online giving options available, such as church management softwares.

These options all have pros and cons, similar to those listed above for Bill Pay companies.

One key thing to keep in mind if using an online option: most of these services charge a small fee or percentage for each transaction. Depending on the situation, those fees will need to be covered either by the donor, the agency, or the missionary.

For an illustration of online giving options, see [WWNTBM's page](#).

Considerations if you choose to give directly to a missionary

The church should obtain a [W-9 Form](#) at the time of the donation. This is the official IRS document to request a SSN, for the purposes of issuing a 1099 at year end. Even if the initial donation is less than \$600, if there is any chance of giving \$600 during the course of the year, this form should be obtained.

Those who fail to obtain proper [W-9 Forms](#) at the time of the transaction, often find themselves scrambling in January to prepare for tax deadlines.

Churches should be careful of issuing funds as an expense reimbursement in lieu of issuing a 1099 for the full amount of donations.

- This can sometimes conflict with expense reimbursement plans a missions agency already has in place, and can unexpectedly create conflicts where expenses are “reimbursed” twice, thus putting this missionary in an awkward tax situation.
- If the church is truly reimbursing an expense, such as hotel or gas costs, proper records should be kept to ensure the church is not reimbursing more than the IRS allows. This includes having the missionary provide receipts or mileage records to the church.

These same considerations apply if paying an evangelist.

Considerations for special designations

Ethical issues

As missionaries communicate with donors they will often mention specific ministry or personal needs, such as for a new building, or for vehicle repair costs. Churches often wish to assist with these costs. However, when funds are given with a specific designation or “strings attached” it can have unintended consequences.

Non-profit agencies cannot legally accept and receipt designated funds unless they already have determined the appropriateness of the designation.

- For instance, ABC Agency cannot receive funds designated for a missionary not already associated with them.
- Similarly, even if the agency handles funds for the missionary's personal support needs, that does not mean they can handle funds designated for a
- local individual in that missionary's ministry who wants to go to Bible College.
- Legal and tax situations may need to be considered before the agency can handle funds for the purchase of land or buildings in the missionary's ministry.
- Often, the ability to receive funds requires a specific vote by the agency's Executive Board after all facts have been reviewed.

Missions agencies who receive designated funds are legally obligated to ensure the funds are used only for the designated purpose.

If a missionary needs \$500 for a vehicle repair, and multiple churches give a total of \$1,500 for the same need, the agency is liable to ensure the funds are held in savings and only used for future vehicle repair needs.

Practically speaking, this means if the missionary repairs the vehicle, but the following month needs to replace a water heater, the remaining \$1,000 funds already given cannot be used for the new need.

Record keeping issues

It is easy to see how the above illustration creates additional record keeping issues for the agency and the missionary, to ensure funds are used as designated.

Another illustration is when a specific need or project will be a one-time situation. For instance, assume a total of \$5,000 is needed for a special outreach, but a total of \$7,000 is given. Once the initial need is met, unless there is a chance this same need will come up in the future, the agency/missionary may legally need to return the extra funds to donors, or alternatively contact every donor for permission to use funds for another need.

Determining how to return funds can be difficult when you consider that multiple donors may give over a period of time. Choices must be made of which gifts to keep and which to return.

Best Practices

Give all funds “For Use As Needed.”

Most churches simply want to help during a time of need. In the majority of cases, their desire is to ease a burden on the missionary. To avoid the complications illustrated above, churches can give funds to the missionary “to use as needed.” This removes all strings and limitations and allows the missionary to cover the immediate need, as well as any possible future need. It eases responsibilities for the agency and the missionary.

In cases where the church does specifically want funds to go for a certain item, such as a building project, it is always best to contact the missions agency prior to mailing funds, to ensure that the agency is prepared to handle the designated funds.

Special Considerations for Non-US Citizen missionaries

Many churches, and even missions agencies, are unaware of tax, visa, and legal implications that Non-US Citizen missionaries may face. Paying funds directly to a Non-US Citizen, especially when they are present in the US, can create many problems for them, especially depending on the type of visa they have.

Multiple government agencies including the IRS, Homeland Security, and US Citizen and Immigration Services all have regulations that affect payments to Non-US Citizens.

Every individual has a unique situation, and their visa limitations may depend on things such as what country they are from, how many trips they have made to the US, how long they have spent cumulatively in the US, and whether they have relatives living in the US. Therefore, just because something worked for one individual does not guarantee it will be the same for another individual.

WWNTBM has created a separate document for this situation based on our extensive research on Non-US Citizen missionaries. Churches should be aware that this is a very sticky legal area.

Miscellaneous Considerations

Non-cash donations to a missionary may still have a tax impact for them, and may require tax reporting by the church.

We recommend seeking guidance from a qualified CPA who is familiar with situations that affect churches and other non-profit entities, and having guidelines in place to ensure the church knows how to handle non-cash donations, including gift cards.

We recommend reviewing return receipts and/or invoices on a regular basis to ensure accuracy. Mistakes do happen, and they are easier to resolve if they are caught early.

Recommended resources for churches

From the Offering Plate to Disbursement, published by the Christian Law Association. www.christianlaw.org

Requirements for the Tax Exemption of Ministries, published by the Christian Law Association. www.christianlaw.org

ministrycpa.blogspot.com - a blog written by our CPA, Corey Pfaffe, specifically for churches and Christian ministries.

irs.gov/charities-non-profits/churches-religious-organizations - a listing of IRS documents specifically related to churches and religious organizations

Check with your state or local Department of Revenue for any state-specific guidelines for churches and/or ministries.

WWNTBM encourages all churches to retain the services of a qualified CPA who is familiar with situations that affect churches and other non-profit entities.

Flowchart of missions support - see illustration on the next page.