
Policies and Principles for Tax Deductible Donations to Adventures in Missions, Inc.

Principles

- To maximize the positive impact of Adventures ministry through all donations.
- To be knowledgeable of, and adequately compliant with, IRS rules and regulations, ECFA recommendations, and known best practices to support the tax deductibility of donations entrusted to Adventures by donors.
- To consider restrictions and preferences expressed by donors to the extent allowable and practicable.
- To apply a reasonable balance of serious attention to important and fundamental principles, practical and efficient processes and approaches, and Christian grace to accomplish Adventures ministry purposes.

Policies (Numbered for Reference Only)

1. **Standard Statement and Reference.** The following statement will be used on all relevant donations and fundraising materials with the reference being to the policies that follow: Adventures In Missions, Inc. is a 501(c)(3) non-profit organization and a long-time member of ECFA. Tax-deductible contributions must be irrevocable; therefore, all donations are nonrefundable and nontransferable.
2. **Qualified Charity.** Adventures is a non-profit corporation and has been determined by the Internal Revenue Service to be tax-exempt as a 501(c)(3) organization. Adventures is also a member in good standing of the Evangelical Council for Financial Accountability (ECFA), which requires its members to adhere to important standards of financial accountability.
3. **Donations Irrevocable.** Tax-deductible contributions must be irrevocable; therefore, all donations are non-refundable and non-transferable.
4. **Unrestricted and Restricted Donations.** Adventures gratefully accepts contributions to support our overall ministry and also recognizes the desire by some donors for Adventures to restrict the use of their donations to specified purposes, such as particular mission trips, staff fundraising, relief efforts, or other important causes. Restricted donations are used to support the purpose for which they were originally

intended until that purpose has been satisfied. After which, any excess funds are used to further the ministries of Adventures. Donations expressing a preference for an individual, who may have made the appeal, are considered to be restricted to the purpose for which such person is currently raising funds.

5. **Applicability of Donor Restrictions.** Adventures strives for transparency and clarity in our materials and through communications with our staff and deputized fundraisers. Unless donor restrictions are specified, donations will be considered available to impact every aspect of Adventures' overall mission, including but not limited to, the types of purposes described in materials presented to donors. When a donor explicitly states an intention to restrict donations to a specific purpose, Adventures uses all reasonable efforts to follow the donor's intent. However, a donation restricted only for the personal benefit of, or use by, an individual would not be tax deductible and therefore such restriction cannot be accepted. Instead, donors may express a preference that the donation be used toward a particular purpose and thereby support a particular deputized fundraiser's or other individual's participation with Adventures in accomplishing that purpose.

Accordingly, donations expressing a preference for an individual who may have made the appeal are considered to be restricted for the purpose for which such individual is currently involved with deputized fundraising. Adventures will use reasonable efforts to consider donor preferences, but does not believe its donors would want it to be so detailed in the application of preferences so as to inhibit, or unnecessarily increase the cost of, accomplishing the broader purpose for which the donation was made. Therefore, in the reasonable use and application of donations, numerous practical changes may be necessary. Adventures considers this to be consistent with the donor's intent as long as the overall mission of ADVENTURES is appropriately furthered.

Examples include, but are not limited to:

- (1) changes in the timing, routing, or duration of mission trips or the assignment of preferred participants to particular trips,
- (2) changes in the timing, quantity, costs, or the composition of potential projects, programs or approaches, or
- (3) other changes in the timing or delivery of intended ministry, services, and benefits.

Whether these practical circumstances are reiterated or not, donations are considered to be intended for practically broad purposes even when possible discrete

projects, programs, or activities are presented as examples in written solicitation materials or in discussions with donors. If donors' written requests for restricted purposes or preferences appear to be impractically precise or inconsistent with Adventures purposes, Adventures may decide it should not accept such donations, although it is expected that such situations will be rare.

6. **Deputized Fundraising.** Adventures utilizes the accepted practice called “deputized fundraising” to raise donations to support many of our activities. Individuals, who desire to participate in mission trips, to join Adventures staff, or to be involved in other projects, programs or activities (collectively “purposes”), become fundraisers for Adventures with the mutual intention of participating, under Adventures’ direction, in carrying out the purpose(s) for which they are appealing for donations. It is acceptable practice to agree on and monitor success toward individual and project fundraising goals. However, as the qualified “charity,” Adventures must maintain discretion and control over the use of all tax-deductible contributions, without any obligation to directly benefit the fundraiser or any other individual. Accordingly, it is not acceptable for tax deductible contributions raised by a deputized fundraiser to be set aside to reimburse expenses incurred by and applicable only to such individual fundraiser or participant.
7. **Deputized Fundraising – Excess Funds.** If an individual’s fundraising goal for a mission trip or other purpose is met and the individual participates in the trip/program, their objective, their donors’ objectives, and Adventures’ ministry objectives are satisfied. However, for example, if the participant does not participate directly or proportionately in using the donations raised or raises funds above the goal, Adventures cannot be expected to give the participant or the donors alternative direct benefits or refunds based on the amount of funds raised and used. This would not be consistent with Adventures maintaining discretion and control. Accordingly, consistent with Adventures’ overall policy described under Item 4 above, donations in excess of the individual goal for a deputized fundraiser, regardless of the reason for the excess, are used to support the mission trip or other purpose for which they were originally intended until that purpose has been satisfied; after which, any excess funds will be used for other purposes consistent with Adventures’ ministries.
8. **Deputized Fundraising – Reporting.** Donations expressing a preference for a particular deputized fundraiser are accumulated in a fundraising summary to communicate progress toward each person’s fundraising goal, as well as the overall goal for the intended trip or other purpose. The fundraising summary is for informational purposes only. Such reporting should in no way be interpreted to

indicate that fundraisers or donors may exercise any rights to or control over the gross or net amounts reflected in these fundraising summaries.

9. **Deputized Fundraising – Shortfalls from Goals.** For each mission trip or other purpose for which Adventures employs deputized fundraising, goals for individual participant/fundraisers are set and communicated well prior to trip launch. Even though these goals might sometimes be referred to as the price or the cost of a trip, they do not constitute a traditional contractual relationship. Nonetheless, Adventures believes the individual and the other trip participants have the right to expect each participant to use all reasonable efforts and means to achieve both the agreed upon benchmarks and the ultimate goal. In those cases where a participant leaves or completes a trip without reaching either the proportionate or full goal, Adventures expects the participant to continue striving to raise funds until their goal is fully met. Adventures reserves the right to terminate a participant from a trip or other activity for any purpose in its sole discretion.
10. **Reporting to Donors.** Donors will receive acknowledgements during the year confirming the amounts and dates of gifts, as well as calendar year-end tax receipts documenting such gifts as deductible contributions for income tax purposes in the United States. Each donor is advised to consult his or her personal income tax advisor for the applicability of such contributions in his or her own circumstances.
11. **Tax Deductions for Short-Term Trip Payments.** It is not unusual for missions organizations to not provide tax receipts for very short-term trips (such as a week or less) where a church or an individual makes payments for the missions organization to lead the trip and to pay a certain portion of the expenses, but with the participant or participating church paying certain expenses directly, such as airfare or other transportation costs. Generally, such payments (versus donations) apply to Adventures Short Term Missions. Adventures and reputable authorities believe, however, that individual taxpayers should be able to receive tax deductions for payments to Adventures for their participation in such trips, because we lead them in a manner to be consistent with our tax-exempt purposes. Also, we believe a taxpayer may claim a charitable contribution deduction for travel expenses necessarily incurred directly by them while away from home performing charitable services in connection with such Adventures trips, if there is no significant element of personal pleasure, recreation, or vacation in such travel. The deduction should not be denied simply because the taxpayer enjoys providing such services. Therefore, Adventures provides calendar year-end receipts verifying the payments made to Adventures by such donors/participants. Obviously, Adventures does not have information related to payments made directly by participants and cannot provide either tax receipts or

information regarding any element of personal pleasure, recreation, or vacation related to such payments made directly by participants, so such adjustments, if any, are the sole responsibility of the taxpayer.

12. Deputized Fundraising for Short-Term Trips. For the very short-term trips paid for by or through churches and those paid fully by a participant, receipts are either irrelevant or are provided directly to the participant in accordance with Item 11 above. Adventures encourages the raising of funds through participants' churches, and this paragraph should not be interpreted as a change to that preference. However, in some cases, we recognize that participants and/or their supporters may desire to have contributions by donors made directly to Adventures in a manner that will allow those supporters to receive a tax receipt for a "contribution" to Adventures. In order to do this, such contributions must follow all of the same policies for deputized fundraising as described herein, including being irrevocable, non-refundable, and non-transferable. Adventures must retain the ultimate discretion as to the application of those funds, even though a preference for support of the participant the donor identifies may be considered. With the help of interested participants and donors, and with upfront understanding and agreement, Adventures will strive to identify contributions made with this objective, and applicable donors will receive year-end tax receipts accordingly. For this identification to be effective, it should be prearranged by obtaining checks from donors that are made payable to Adventures in Missions, Inc. and presenting those checks to Adventures together with an information "coupon" that can be obtained from Adventures Admissions staff.

13. Reporting Goods or Services Provided. Normally, Adventures mission trips and other activities do not involve providing any goods or services to donors in partial return for the donations. In those cases where there might be token take-away items, such as tee shirts or journals, that are intended primarily for use on a trip, the fair market value of such typically used items is considered by Adventures to be insubstantial with the donations being 100% tax deductible. In any case where Adventures provides goods or services that have value to the donor in excess of that year's IRS token exception rules, such estimated value will be disclosed by separate communication or together with the calendar year-end receipt.

14. Donations by Donors Located Outside the United States. Adventures is incorporated and qualified as a 501(c)(3) non-profit organization in the United States. Therefore, Adventures year-end tax receipts are intended to confirm tax-deductibility only as it applies for U.S. income tax purposes. Deductibility of donations or contributions varies in other countries based on local laws, treaties with the U.S., etc. Therefore, donors based outside the U.S. should consult with a qualified advisor

regarding the tax or equivalent rules covering deductibility in their applicable non-U.S. jurisdiction.