



Financing the Journey

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Funds Received

Receipts

As an AIMer, you are an Independent Contractor and not an employee of the UPCI.

This should be approached from the understanding that as an individual, you do not qualify as a valid 501(c)(3)

As such, the individual cannot issue any type of valid taxable receipt to the donor.

You are appointed by a valid charitable organization but you are not one as an individual

There are two main reasons why people want to go outside of WEC for donations:

1. More donors not connected to UPCI or church (corporate donors, family members, etc.)
2. Bypass the 10% administrative charge

If an individual donor gives you a \$1,000.00 offering personally, you cannot give them a valid receipt for these funds and they get no tax deduction for this giving.

Only funds that are received at Global Missions can be properly receipted for the donor.

Taxes

Any and all funds donated to an AIMer, either directly from individuals or churches, are given to you as an individual and are subject to income taxes.

All funds given to an AIMer from Global Missions will go on a Form 1099 and are subject to SE Taxes, state and federal income taxes. *Some churches will also send you a Form 1099.

You must declare and file taxes! Working in missions does not exempt you from taxes; being a minister does not exempt you from filing taxes.

Much of your expenses can be deducted and therefore taxes avoided but you **still need to file!**

If someone from the local church gives you cash, this is still income to you and should be declared.

Family members can give “gifts” that are not taxable but any funds solicited are taxable income.

My advice is *“Talk to your tax preparer and file taxes!!!!”*

Social Media

- Any fund raising done via Social Media should direct all offerings to Global Missions
- Any offerings made to you and deposited into your bank account become your personal tax liability; you are not liable for funds sent to Global Missions until those funds are disbursed to you.

- Even if you donate the funds back to GM you will have to deal with the tax issue and it is more work for you.
- IRS is looking more closely at Social Media fund raising efforts

Pay Pal / Square, etc.

- Global Missions cannot accept PayPal, Square or other third party software donation mechanisms.
- We cannot give AlMer, Missionaries, etc. access to the UPCI bank account information.
- Simply too complicated to handle this due to the account structure, sub-accounts, administrative deductions, exempt funds, Rate of Exchange, etc.
- Crowd Funding is still taxable income and the donor cannot receive a valid tax exempt receipt for their contribution.

Gifts in Kind

- Vehicles, boats, etc. – UPCI would have to take ownership of these then allow a missionary to use them. For insurance purposes this will not happen.
- Other goods donated we cannot place a value on – we can only give a letter saying it was donated.

Please treat all income as taxable, talk with your tax preparer, keep receipts of expenses and file your taxes.

Just because you are involved in ministry and getting cash money does not mean you are exempt from paying taxes.

The federal income tax bracket starts at \$0.00 and goes up from there! 😊