Healthcare Missionary Monthly Budget Fiscal Year 2017

PROJECTED MONTHLY SUPPORT	Support	$8,000
	Extra income	$0
	Total monthly income	**$8,000**

ACTUAL MONTHLY SUPPORT	Support	$7,275
	Extra income	$0
	Total monthly income	**$7,275**

PROJECTED BALANCE (Projected income minus expenses)	
ACTUAL BALANCE (Actual income minus expenses)	
DIFFERENCE (Actual minus projected)	

HOUSING	Projected Cost	Actual Cost	Difference
Mortgage or rent	$140	$127	$13
Electricity	$65	$35	$30
Gas	$45	$10	$35
Water and sewer	$12	$11	$1
Home raintenance or repairs	$25	$47	($22)
Home Supplies	$95	$45	$50
Domestic Help	$140	$25	$115
Other	$0	$0	$0
$3000 Replace Auto for College Son	$0	$250	($250)
	$0	$0	$0
Subtotals	$522	$550	($28)

INSURANCE	Projected Cost	Actual Cost	Difference
Health Insurance (ACA Ind Cov of TN)	$994	$240	$754
Life Insurance (20 Yr Level Term)	$61	$61	$0
Disability or Other (Homewoner's)	$0	$38	($38)
Auto Insurance (USA) - Son @ Univ.	$0	$52	($52)
Subtotals	$1,055	$391	$664

FOOD	Projected Cost	Actual Cost	Difference
Groceries	$500	$424	$76
Dining out	$125	$125	$0
Other	$30	$81	($51)
Subtotals	$655	$630	$25

PERSONAL CARE	Projected Cost	Actual Cost	Difference
Medical/Dental	$150	$143	$7
Hair	$18	$43	($25)
Clothing	$95	$78	$17
Laundry	$45	$2	$43
Entertainment	$26	$11	$15
	$0	$0	$0
	$0	$0	$0
Subtotals	$334	$277	$57

Personal Obligations	Projected Cost	Actual Cost	Difference
Loan Payments - College & Mortgage	$0	$34	($34)
Credit card Interest	$25	$26	($1)
Retirement account	$0	$167	($167)
Emergency Fund	$0	$0	$0
College Savings	$0	$0	$0
Tuition	$0	$503	($503)
Tithe	$145	$221	($76)
Charity	$120	$64	$56
	$0	$0	$0
Subtotals	$290	$1,015	($725)

TAXES	Projected Cost	Actual Cost	Difference
Federal	$205	$12	$193
State	$0	$10	($10)
Social Security/ Medicare	$482	$134	$348
	$0	$0	$0
Subtotals	$687	$156	$531

SAVINGS OR INVESTMENTS	Projected Cost	Actual Cost	Difference
Retirement account	$140	$0	$140
Investment account	$60	$0	$60
Other	$0	$0	$0
Subtotals	$200	$0	$200

TOTAL PROJECTED MONTHLY PERSONAL EXPENSES	**$3,743**
TOTAL ACTUAL MONTHLY PERSONAL EXPENSES	**$3,019**
TOTAL DIFFERENCE (Monthly Budget Shortfall = RED; Surplus = Black)	**($724)**

TOTAL PROJECTED ANUAL PERSONAL EXPENSES	**$44,916**
TOTAL ACTUAL ANUAL PERSONAL EXPENSES	**$36,228**
TOTAL DIFFERENCE (Annual Budget Shortfall = RED; Surplus = Black)	**($8,688)**

Ministry Expense Budget

Christian Health Service Corps

Fiscal Year 2017

Ministry Related Travel	Budget	Actual	Difference ($)	Difference (%)
Ministry Related Air Travel	$ 3,760	$ 1,890	$ (1,870)	-49.7%
Car Rental	350	220	(130)	-37.1%
Fuel	500	940	440	88.0%
Ministry Travel Food Expense	200	1,273	1,073	536.5%
Travel Internet and Cell	100	920	820	820.0%
Conferece CME/CEU Fees	1,500	571	(929)	-61.9%
Hotel	1,000	2,454	1,454	145.4%
Other Misc. Travel Expenses	-	1,877	1,877	undefined
Other ministry supplies			-	0.0%
Operating	**Budget**	**Actual**	**Difference ($)**	**Difference (%)**
PR Materials	$ 1,200	$ 1,059	$ (141)	-11.8%
Newsletters	1,250	-	(1,250)	0.0%
Prayer cards	580	-	(580)	0.0%
Social Media Mgt	400	700	300	75.0%
Depreciation			-	0.0%
Uniforms	80	36	(44)	-55.0%
Language Study	500		(500)	0.0%
Insurances	1,120	1,147	27	2.4%
Interest			-	0.0%
Ministry related Legal and accounting	2,700	1,213	(1,487)	-55.1%
Maintenance and repairs	2,400	2,407	7	0.3%
Office supplies	1,700	931	(769)	-45.2%
Postage	1,250	890	(360)	-28.8%
Rent for ministry office	9,660	3,757	(5,903)	-61.1%
In country public transportation	480	647	167	34.8%
Shipping	750	-	(750)	0.0%
Other ministry supplies	1,100	1,021	(79)	-7.2%
In country taxes and customs		331	331	undefined
Ministry Phone (Land Line)	340	286	(54)	-15.9%
Ministry Cell Phone	1,150	1,568	418	36.3%
Ministry Related Utilities	2,400	999	(1,401)	-58.4%
Storage		3,467	3,467	undefined
Internet	960	811	(149)	-15.5%
Board Certifications	250	-	(250)	0.0%
Licensing	250	317	67	26.8%

CEU/CME	200		(200)	0.0%
Misc. Project Expenses	2,500	1,671	(829)	-33.2%
Visa's Work Permits	430	330	(100)	-23.3%
Maintenance or repairs	2,400		(2,400)	0.0%
Misc. Supplies	2,300	1,330	(970)	-42.2%
Ministry Related Auto Expenses	**Budget**	**Actual**	**Difference ($)**	**Difference (%)**
Vehicle Savings/ Purchase	6,500	3,579	(2,921)	-44.9%
Registration	560	283	(277)	-49.5%
Insurance	840	1,140	300	35.7%
Licensing	420		(420)	0.0%
Fuel	2,560	2,267	(293)	-11.4%
Maintenance	3,200	625	(2,575)	-80.5%
Other	60	336	276	460.0%
			-	0.0%
National Worker(s)	1,440	1,954	514	35.7%
			-	0.0%
			-	0.0%
Total Expenses	**Budget**	**Actual**	**Difference ($)**	**Difference (%)**
	$ 61,340	$ 45,247	$ (16,093)	-26.2%

TOTAL PROJECTED MONTHLY MINISTRY EXPENSES	**$5,112**
TOTAL ACTUAL MONTHLY MINISTRY EXPENSES	**$3,771**
TOTAL DIFFERENCE MONTHLY MINISTRY EXPENSES	**($1,341)**

TOTAL PROJECTED ANNUAL MINISTY EXPENSES	**$ 61,340**
TOTAL ACTUAL ANNUAL MINISTRY EXPENSES	**$ 45,247**
TOTAL DIFFERENCE ANNUAL MINISTRY EXPENSES	**($16,093)**

TOTAL PROJECTED PERSONAL EXPENSES	$44,916	TOTAL PROJECTED MINISTRY EXPENSES	$ 61,340
TOTAL ACTUAL PERSONAL EXPENSES	$36,228	TOTAL ACTUAL MINISTRY EXPENSES	$ 45,247
TOTAL DIFFERENCE PERSONAL EXPENSES	($8,688)	TOTAL DIFFERENCE MINISTRY EXPENSES	($16,093)

TOTAL MONTHLY BUDGET NEEDS	$6,789.58

TOTAL ANNUAL BUDGET NEEDS	$81,475

ECFA Notes on Reimbursement

Accounting for and Documenting Ministry Expenses
To be tax-deductible, a ministry expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in the specific ministry type. A necessary expense is one that is helpful and appropriate for the ministry type. An expense does not have to be indispensable to be considered necessary.

Business or ministry expenses of nonprofits may be paid either directly by the ministry, or indirectly by an employee who is then reimbursed by the ministry. A ministry reimburses expenses through a reimbursement plan. When applied properly, expenses reimbursed through an accountable expense reimbursement plan do not result in taxable income. Conversely, expenses reimbursed through a nonaccountable expense reimbursement plan, or excessive reimbursements through an accountable plan result in taxable income to the employee.

Accountable Expense Reimbursement Plan
An accountable expense plan is a reimbursement or expense allowance arrangement set up by a ministry, which requires: (1) a business purpose for the expenses, (2) substantiation of expenses to the employer, and (3) the return of any excess reimbursements.
The substantiation of expenses and the return of excess reimbursements must be handled within a reasonable time. The following methods meet the "reasonable time" definition:
•The fixed date method applies if
- an advance is made within 30 days of the time an expense is paid or incurred;
- an expense is substantiated to the employer within 60 days of the time the expense is paid or incurred; and
- any excess amount is returned to the employer within 120 days of the date the expense is paid or incurred.

•The periodic statement method applies if
- the employer provides employees with a periodic statement setting forth the amount paid under the arrangement that is more than substantiated expenses;
- the statements are provided at least quarterly; and
- the employer asks the employee to provide substantiation for any additional expenses that have not yet been substantiated and/or return any amounts remaining unsubstantiated within 120 days of the statement.

If business expenses are substantiated and any unused payments are returned, expense reimbursements have no impact on taxes. The expenses reimbursed are not included on Form W-2 or deducted on the tax return.
Example 1: A nonprofit adopts an accountable reimbursement plan using the "fixed date method," authorizing a salary of $26,000 and agreeing to pay business expenses up to $10,000.

During the year, $9,000 of expenses are substantiated under the accountable guidelines. The nonprofit provides a Form W-2 reflecting compensation of $26,000. The substantiated expenses of $9,000 are not reported to the IRS by the nonprofit or on its tax return.

The employer retains the $1,000 difference between the amount budgeted and the amount reimbursed to the employee.**Example 2:** An employer authorizes a salary of $23,000 with an auto allowance of $5,000 and $3,000 for other business expenses. The employer does not require or receive any substantiation for the auto or other business expenses. This is a nonaccountable reimbursement plan.

The employer should provide a Form W-2 reflecting compensation of $31,000. The auto and other business expenses incurred could be claimed on Form 2106 (2106-EZ) and Schedule A as "miscellaneous deductions," if reported by an employee for income tax purposes.

"miscellaneous deductions," if reported by an employee for income tax purposes.

Nonaccountable Expense Reimbursement Plans

Nonaccountable reimbursements and excess reimbursements over IRS mileage or per diem limits must be included in gross income and reported as wages on Form W-2. If the ministry pays an "allowance" for certain business expenses, it represents taxable compensation. An allowance not based on actual expenses does not meet the adequate accounting requirements for an accountable reimbursement plan and, thus, must be included in income.

If a ministry allows employees to retain excess reimbursements by calling them a "bonus," the expense reimbursement plan becomes nonaccountable. This is also referred to as a "recharacterization of income." All payments under a nonaccountable plan are reportable as compensation on Form W-2.

Unreimbursed expenses or expenses reimbursed under a nonaccountable plan can be deducted only as itemized miscellaneous deductions and only to the extent that they, with other miscellaneous deductions, exceed 2% of adjusted gross income. Unreimbursed expenses are not deductible if the taxpayer does not itemize.

Documenting Business Expenses

For expenses to be allowed as deductions, evidence must show that the money was spent for a legitimate business reason. Documentary evidence that can be confirmed by a third party generally meets that provision. Canceled checks or credit card slips are excellent forms of evidence. To the IRS, third-party verification is important; if business expenses are paid in cash, a receipt will substantiate the transaction.

Documenting a business expense can be time-consuming. The IRS is satisfied if the following five "Ws" are noted on the back of the credit card slip or other receipt:

•Why (business purpose)

•What (description, including itemized accounting of cost)

•When (date)

•Where (location)

•Who (names of those for whom the expense was incurred; e.g., meals and entertainment)

The only exception to the documentation rules is if individual outlays for business expenses, other than for lodging, come to less than $75. The IRS does not require receipts for such expenses, although the five Ws are still required. A receipt is always needed for lodging expenses, regardless of the amount.

Use of a nonprofit's credit card can be helpful to charge organization-related business expenses. However, the use of a credit card does not automatically provide substantiation without additional documentation; e.g., business purpose and business relationship.

Missionary Budget Policy and Process

This budget policy was developed to assure adherence to IRS guidelines for deputized fundraising that govern all mission agencies using this form of fundraising.

It is important to remember that all gifts are under the control of the Christian Health Service Corps (CHSC) board of directors to be used exclusively for CHSC tax exempt purposes. CHSC's primary tax exempt purpose is the provision of healthcare ministry through you, our field staff and partners. According to IRS regulations, gifts to or for specific individual missionaries and workers are not considered tax-deductible contributions. However, gifts to support the ministry of missionaries and religious workers are charitable contributions. They are considered tax deductible because they are in support of the ministry rather than individuals, and only providing the agency retains complete control the donated funds. Accordingly, the Christian Health Service Corps board of directors must retain complete control of all contributions, and those donations must be intended exclusively for CHSC tax exempt purposes. According to the IRS, funds cannot be considered restricted for the use of any specific missionary or project since that would demonstrate the donor retains control of the donated funds. Neither donors nor CHSC missionaries may have any control of donated funds. Donors can express their preference for how their donations are used. The CHSC board of directors is committed to doing everything possible to ensure that donor-preferenced gifts are used for the donor intended CHSC tax exempt purpose(s). In the unlikely event a project or program is over-funded, or is not able to be carried out, the CHSC board of directors may redirect the funds to similar tax exempt purposes. Remember these are not CHSC guidelines they are IRS guidelines. As a member of the ECFA we follow their interpretation of the IRS guidelines and submit to their direction as a credentialing organization. If you would like to know more about these guidelines and how they affect you in your missionary service please see the following ECFA resource. http://www.amazon.com/Charitable-Giving-Guide-Missionaries-Workers/dp/1936233134

Missionary partners are to submit projection of funds needed for living and ministry expenses at their chosen place of service before leaving for field service and then annually on or before October 1st. New missionaries are to submit a budget to CHSC administrative staff for review and approval prior to commencing fundraising efforts. Budgets are to have two sections. One section will project all ministry expenses including travel to and from the field and all expenses related to carry out the particular ministry at that location. The other section will consist of missionary partner stipend or compensation.

Budgets are approved by CHSC Chief Executive Officer and /or business manager based on CHSC Board of Director's directives which include the following. Total budgets for expenses and compensation must be within 25% of average missionary total budget for comparable family size at the chosen service location. Calculating this average will also include other mission agency budgets for that regional or specific service location. Where no such averages for the specific locations are available missionary partner compensation other assessments of local cost of living in the proposed service location will be made to find a usable cost of living. Budgets outside the 25% above or below the established local benchmark can be submitted but require approval by CHSC board of directors and must include a written explanation for the needed variance. Total budgets (personal plus ministry expenses) exceeding $7,000 per month also require CHSC board approval.

Programs or projects developed and/or initiated by missionary partners should be documented as a program proposal outline containing a separate budget. Examples of such projects are community or regional health initiatives, hospital infrastructure development, hospital housing etc. Expenses for such projects should not be included in missionary general ministry expenses. In order for projects to be approved they must serve the public good in the country of service and be within the tax exempt purposes of the Christian Health Service Corps.
Self-supporting missionaries who seek to serve through CSHC but whose primary source of income is social security, public or private pension, family trust etc. are subject to same budget requirements. However, those who fall into the self-supporting missionary category must raise 25% of their annual budget through CHSC. Self-supporting missionaries are not entitled to a monthly stipend or compensation; however they are eligible for expense reimbursement. Self-supporting missionary partners are considered volunteers; the 25% of their budget is raised for ministry expenses. Any CHSC missionary partner may personally donate funds preferenced for their present or future service with CHSC.

Process
Monthly Stipends
The first part of the budget is considered compensation or a missionary stipend. This will usually range from one half to two thirds your total budget. Housing and food purchased for home use are considered personal living expenses for most CHSC missionaries and therefore fall in the compensation portion of your budget. Missionaries who are ordained ministers and possess a certificate of ordination from seminary, church or denomination may claim their housing costs as a legitimate ministry /business expense (see housing and ministerial compensation). Online certificates of ordination are not accepted by IRS standards. Stipends are paid monthly and the entire stipend is considered reportable as income to the IRS. Missionaries who live on the hospital or mission grounds may qualify for CHSC to cover housing fees with the receiving partner facility under the IRS “convenience of the employer” or “Lodging on Your Business Premises” excluding them from taxable income.

Expense Reimbursements

The Christian Health Service Corps uses an Accountable Expense Reimbursement Plan.
An accountable expense plan is a reimbursement or expense allowance arrangement set up by a ministry, which requires: (1) a business purpose for the expenses, (2) substantiation of expenses to the employer, and (3) the return of any excess reimbursements.

The substantiation of expenses and the return of excess reimbursements must be handled within a reasonable time. The following methods meet the "reasonable time" definition:
The fixed date method applies if 1) an advance is made within 30 days of the time an expense is paid or incurred; 2) an expense is substantiated to the employer within 60 days of the time the expense is paid or incurred; and 3) any excess amount is returned to the employer within 120 days of the date the expense is paid or incurred.
Expenses are reimbursed monthly or within 60 days of the expense being incurred but are separate and apart from any stipends or compensation. Missionaries must submit a request for reimbursement listing all expenses for which they are requesting reimbursement. This form must be submitted to the CHSC business manager or CEO within 60 days of the incurred expense in order to receive reimbursement and be classified as a CHSC expense and not counted as income for the missionary partner. The missionary partner can deduct those expenses not submitted to CHSC off their taxes if it is a qualified ministry/ business expense. Missionary partners may also request an advance for projected expenses for upcoming travel expenses but must submit receipts to document such expenses after they are incurred. Funds not used and documented for ministry expenses must be returned to CHSC for later use. Reimbursement request must be made as US dollar currency. Missionary partners are expected to calculate the rate of exchange when the funds were spent. Some in country expenditures are difficult document with receipts. It is recommended you document those expenses as they occur and record them on your expense log with a notation that you were unable to obtain a receipt for that specific expenditure. Wherever receipts are available we request they be obtained and submitted with the expense reimbursement form. CHSC may choose to allocate any expense not documented with a receipt or questionable as a ministry expense to missionary partner income statement. The missionary partner will be notified if this occurs so they can claim the expense personally rather than CHSC claiming the expense.

Owning Housing in the Receiving Country (Recent Update to Existing Housing Policy)

Because ownership rights of land and housing can vary so much between countries, CSHC missionary partners are strongly discouraged from purchasing land or housing in their country of service. Many missionaries have been dragged into many years of ownership disputes because of purchasing housing in their country of service. CHSC missionary partners can never use CHSC mission agency funds to purchase personally owned real estate or housing in their country of service. Missionary partners are not prohibited from making such purchases with their personal funds.

On occasion additional housing must be built to house CHSC staff at a particular facility. When this occurs a specific project proposal must be submitted to CHSC with a separate capitol project budget and a separate project fund is established. Funds raised for missionary housing through CHSC may benefit the receiving facility but they may not bring personal benefit to CHSC missionary partners. As such, housing project funds must be raised apart from and kept separate from the benefit to CHSC missionary partners. As such, housing project funds must be raised apart from and kept separate from the missionary partners ministry account. The housing project must be owned and controlled by the receiving program or facility and be of long-term benefit to the receiving program. The missionary may occupy that housing during their time of service, but they may not own the house or property since that could be construed as personal benefit from funds donated for CHSC tax exempt ministry purposes. CHSC may lease or own housing at board approved mission hospital sites.

Missionary partners may also not receive personal benefit from ownership of the vehicle purchased with CSHC agency funds. However, due to ownership challenges of owning and registering vehicles in multiple countries CSHC has established the following policy for vehicles purchased with CHSC agency funds. Vehicles purchased for ministry purposes may 1) be placed in the name of the receiving hospital or health program or 2) purchased by CHSC, for CHSC tax exempt purposes, registered in either the name of CHSC or missionary partner as guided by law in the country of service. Vehicles purchased with CHSC ministry funds must be used for CHSC ministry activities for the time the missionary serves at that location. When the missionary's time of service ends, the vehicle must be sold and any proceeds received from the sale of the vehicle along with paperwork documenting the transaction must be returned to CHSC office manager. Under these circumstances CHSC would consider the purchase, maintenance, and fuel for the vehicle as a necessary CHSC ministry expense.

Key Points

Missionary budgets are approved by CEO unless they exceed $7,000 at which point they require CHSC board approval. Project accounts require board approval which entails the submission of a proposal or project description with a separate budget.

Two budget sections: 1) Projected personal expenses 2) projected ministry expenses. Ministry expenses do not need to be submitted monthly but do need to be submitted within 60 days of the incurred expense.

Budgets for expenses and compensation must be within 25% of average missionary budget for comparable family size at the chosen service location. Variances require board approval.

Expense reimbursement requests and budgets must be submitted in US currency.

Self-supporting missionary partners are considered volunteers; and they must raise 25% of their total budget to be applied toward their ministry expenses. They are not entitled to a monthly stipend or compensation; however they are eligible for expense reimbursement.

Missionary partners may also not receive personal benefit from ownership of real estate, vehicles or any other items purchased with CSHC agency funds.