



## Short-Term Mission/Canada Revenue Agency Donation Policy

**Q: Can a private individual be receipted for funds that they provide for their own usage on a STM trip? What are Canada Revenue Agency (CRA) regulations?**

**A: People MAY donate towards a team that they are members of IF they meet policy criteria:**

- Establish the total cost to complete the project. Full Budget includes transport, accommodation, meals, training, leader costs, and project costs. The budget should not include vacation days.
- The church must officially recognize the trip as a ministry objective/function of the church. This decision of the Board, in and of itself, does not make it a bona fide ministry of the local church. The church must, in fact, have “care, direction and control” over the activity or project. *This has to happen at the board level. (i.e. Pass an official motion.)*
- The team and subsequent expenditures must remain under the care and control of an officially designated leader from the church. *(A separate official board minute is helpful to designate an approved leader.)*
- Although funds cannot be specifically directed to the participants on the trip. Team members should be required to participate in raising funds for the trip. All funds are raised for the entire team cost. Anyone may donate to the bona fide missions trip and receive a tax receipt, including a donor who might also be a participant of that trip. *(For this reason, a team members name should not appear on the subject line of a cheque.)*
- Team members may be asked to commit to a personal fund-raising goal, usually their individual costs. *(Many teams maintain an unofficial record of team member funds on a separate donor form in order to allow the appropriate team member to send their thanks and appreciation back to the donor.)*
- All funds raised and directed to the STM team are used for team expenses EVEN if the team member who raised the funds chooses to withdraw or is forced to withdraw from the team.
- Participants who raise in excess of their personal fundraising goal should be made aware that excess funds are used for team ministry. *(The individual team member cannot direct or personally receive any excess funds. This includes NO funds for spending money.)*
- While on field, all team funds are clearly defined and accounted for.
- Additional and unused funds raised over and above team expenses cannot be returned or reimbursed to individual team members. At the time of fundraising, a clearly defined plan for excess funds should be revealed. *(i.e. Excess funds are distributed to the general missions fund of X Church.)*

- Team funds are not used for holidays. Team funds MAY be used for on-field officially sanctioned days off, culturally relevant experiences and debriefing days if they serve the goals of the team. (Rest and recovery at a beach or game-lodge *may* be a reasonable objective of the team.) It is helpful if the church develops a policy for on field debriefing or training days and the team leader obtains board approval for the debriefing days. (i.e. *POLICY: For every week on the field, the team accrues 1.5 days of debriefing days to be used at the end of the team trip. The team will gather for X purposes during the debriefing days. The team may spend up to X\$ per person, per day of debriefing - these funds generally cover accommodations, meals, and travel. Additional costs for any leisure related activities are the sole responsibility of team members and will not be receipted.*)
- It is BEST to work with an agency with a Canadian charitable tax number as this ensures better CRA compliance over issues of Canadian care and control. This is not entirely necessary IF the team ministry and trip are within the care and control of an officially recognized team leader who is officially responsible to the board of the sending organization (your church).

Finally, this last point is important to keep in mind when choosing international partners. Many individuals are inspired by a team-based Short-Term Mission (Short-Termers) and subsequently plan to individually volunteer to go back for an extended time to the international ministry (we now refer to them as a Mid-Term Missionary or MTM). Where this gets difficult is when the international partner does not have a Canadian charitable number.

Although a Short-Term team is under the care and control of an officially recognized ministry of the church, the church cannot officially do the same thing when they place the Mid-Termer with the international partner. It will be more difficult for the Church to exhibit a clear case of CARE and CONTROL of the Mid-Termer. This may have to be accomplished through the official ministry objectives of the church, the specific ministry direction must come from the church, and there must be consistent reporting between the Church and Mid-Termer. The question of whom the Mid-Termer is actually reporting to is key. The church cannot simply second the Mid-Termer to the international partner without stepping offside from CRA rules.

After this stage, any further LONG-TERM development will usually need a new charitable organization to be set up with official partnerships happening at the board level.

THIS IS NOT LEGAL ADVICE. This is informed advice that attempts to provide clarity from a variety of ongoing conversations with people who are carefully attempting to follow CRA regulations.

**Of course none of this matters if people do not care about getting a tax receipt.**

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