

Reimbursable Ministry Expenses for FBMI Missionaries

- *Some of these items have specific, associated guidelines and limitations defined by the IRS.*
 - *This list does not intend to be definitive, but rather a general overview to help the FBMI office and missionaries properly complete their monthly financial reports.*
 - *All receipts for ministry expenses should be saved. Receipts for ministry expenses \$75 and more must be submitted to FBMI.*
1. Ordinary and necessary expenses related to a missionary's ministry
 2. Ministry-related travel (Please note: The categories below are claimable only for deputation or other similar, ministry-related travel away from a missionary's home.)
 - a. Travel by airplane, train, bus, or car between missionary's home and ministry destination.
 - b. Travel by taxi or commuter bus
 - i. between airport or station and missionary's hotel.
 - ii. between hotel and ministry destination.
 - c. Sending baggage and ministry materials from regular ministry to temporary destination
 - d. Operating and maintaining missionary's personal vehicle when traveling away from home for ministry.
 - i. Not for travel between home and regular place of work.
 - ii. Can be used for travel between regular place of work and temporary ministry.
 - iii. Deduct actual expenses or the standard mileage rate, as well as business-related tolls and parking.
 - e. Car Rental while away from home for ministry. A missionary can deduct only the ministry-use portion of the expenses.
 - f. Lodging and non-entertainment-related meals
 - i. If the ministry trip is overnight or long enough that the missionary needs to stop for rest to properly perform his duties
 - ii. Only for the missionary, not spouse or family
 - iii. Meals include amounts spent for food, beverages, taxes, and related tips.
 - iv. The missionary must follow the per diem rates and other particulars found on the GSA website. For more information, visit <https://www.gsa.gov/travel>.
 - g. Dry cleaning and laundry for ministry travel.
 - h. Business calls while on the ministry trip.
 - i. Tips paid for any of the above items.
 - j. Other similar ordinary and necessary expenses related to ministry travel. These expenses might include transportation to or from a business meal and operating and maintaining a house trailer.
 3. Ministry-related gifts
 - a. Typically limited to \$25 per person.
 - b. Gifts less than \$4 may fall into a different category.

4. Payment of Employees
 - When paying employees, be sure to also pay all taxes and fees required by US or foreign law.
5. Ministry-related rent
 - a. Building or portion of building
 - b. Rent for equipment
6. Liability insurance
7. Advertising
8. Payments to FBMI or another ministry
 - a. For ministry-related needs, such as prayer cards
 - b. Not for charitable donations
9. Membership fees
 - a. Not typical
 - b. Ministry-related professional organization or a chamber of commerce
10. Education expenses
 - a. Must maintain or improve skills required in your ministry
 - b. Books, publications, subscriptions
 - c. Conferences, seminars
 - d. Not for new trade or business
11. Internet
 - a. Including domain registration and consulting
 - b. Only for ministry-related expenses
12. Property maintenance or repairs
 - For ministry property, not personal property
13. Writing ministry-related books or articles
14. Meals and entertainment
 - a. Meals must have a clear ministry purpose.
 - b. Provide itemized receipt and proof of payment.
 - c. Must provide names of individuals receiving meal.
 - d. Entertainment is not typical.
15. Phone
 - If personal phone, must claim only the percentage used for ministry.
16. Clothes
 - a. Not typical
 - b. Only for clothes that are not adaptable to general wear
 - c. The cleaning of these items, for example, baptismal robes
17. Bank charges
 - Only for ministry account
18. Ministry-related legal, accounting, or other professional services
19. Office Expenses and office supplies
20. Ministry-related materials
21. Ministry-related printing

Related content from the IRS:

Accountable Plans

To be an accountable plan, your employer's reimbursement or allowance arrangement must include all of the following rules.

1. Your expenses must have a business connection—that is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
2. You must adequately account to your employer for these expenses within a reasonable period of time.
3. You must return any excess reimbursement or allowance within a reasonable period of time.

To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in your industry. A necessary expense is one that is helpful and appropriate for your trade or business. An expense does not have to be indispensable to be considered necessary.

[Publication 463 \(2022\), Travel, Gift, and Car Expenses | Internal Revenue Service \(irs.gov\)](#)

[Publication 535 \(2022\), Business Expenses | Internal Revenue Service \(irs.gov\)](#)

[2022 Publication 54 \(irs.gov\)](#)

[2022 Publication 517 \(irs.gov\)](#)

Related content from FBC Ministry Handbook:

Employees whose travel plans have been approved should coordinate with the Finance Office to ensure that First Baptist Church and its ministries will directly pay, will advance, or will reimburse actual costs of travel, meals, lodging, and other expenses directly related to accomplishing ministry business, provided that the employee used the most cost-effective manner possible. Expenses that generally will be reimbursed include the following:

- Airfare at the lowest available fare
- Car-rental fees at the lowest available rate
- Fares for shuttle or airport bus service, where available; costs of public transportation for other ground travel
- Taxi fares, only when there is no less expensive alternative
- Mileage costs for use of personal cars, only when less expensive transportation is not available
- Cost of standard accommodations in low- to mid-priced hotels, motels, or similar lodgings
- Cost of meals, not to exceed \$35.00 per day of travel
- Tips not exceeding 20 percent of the total cost of a meal or 10 percent of a taxi fare
- Samples of excluded Expenses: Car Wash, Dry Cleaning, Video Rentals