Policies and Principles for Tax Deductible Donations

to Adventures in Missions, Inc. ("ADVENTURES")

Principles

- To maximize the positive impact of ADVENTURES ministry accomplished with 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 ADVENTURES Donations and Fundraising Materials with the reference being to the policies that follow herein: *Adventures In Missions, Inc. is a 501(c)(3) non-profit organization and a long-time member of ECFA. Your donations are tax deductible based on the policies and principles at www.adventures.org/policies.*
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. We are 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 When Made. 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 support, 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 for other purposes consistent with ADVENTURES ministry. 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 as examples, 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 preferenced 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 that 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 towards, 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/participant.
7. Deputized Fundraising – Excess Funds. If an individual's fundraising goal for a mission trip is met and the individual participates in the trip, 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 because 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 ministry.
8. Deputized Fundraising – Certain Intended Uses of Excess Funds. Deputized fundraisers who have completed one or more activities with ADVENTURES may request "awards" from excess funds to apply to future activities with ADVENTURES. Prior excellence in fundraising above goal(s) can be one of the factors considered by ADVENTURES in making such awards. Also, from time to time, ADVENTURES may recommend a continuum of certain follow-on activities as being clearly applicable and beneficial to certain or all participants. In such cases, deputized fundraisers may encourage donors to contribute above their initial goal with confidence that ADVENTURES believes these uses of excess funds for such future purposes are entirely consistent with ADVENTURES ministry purposes and therefore that such funds will be applied to these future goals without the necessity of going through the award process. Current examples are World Race participants who are asked and wish to become leaders for Passport or other trips. Another example is funding to participate in Adventures Center for Global Action program which is being designed ideally for recent World Race participants.
9. Deputized Fundraising – Reporting. Donations expressing a preference for a particular deputized fundraiser are accumulated in a "support account" system to communicate progress towards each person's fundraising goal as well as the overall goal for the intended trip or other purpose. The support account system 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 support accounts.

10. 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 such amount might sometimes be referred to as the price or the cost of a trip, it does not constitute a traditional contractual relationship. Nonetheless, ADVENTURES believes it 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 their share of the funding. ADVENTURES reserves the right to terminate a participant from a trip or other activity for any purpose, in its sole discretion.
11. 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 your personal income tax advisor for the applicability of such contributions in your own circumstances.
12. 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 of the expenses directly such as airfares or other transportation costs. Generally, such payments (versus donations) apply to AdventuresEncounter and AdventuresYouth trips. ADVENTURES and reputable authorities believe, however, that individual taxpayers should be able to take 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 (starting for 2011) provides calendar year-end receipts verifying the payments made to ADVENTURES by such donor/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.
13. 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 12 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 up-front 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.
14. 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 cases 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.

15. 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.

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