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## HANDLING THE BUSINESS OF YOUR MINISTRY

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For those involved in foreign ministry, there are certain issues which affect the stateside representation of their ministry. The importance of these factors cannot be over emphasized. Tax status, tax deductions, professionalism in newsletter presentation, and overall perception of the ministry by the public are factors that can and do affect financial support. Failure in these important “administrative” functions can and has caused the failure of many competent missionaries. Your “call” is to minister to people. Splitting your time between “administration” and “people” can be frustrating.

Nation to Nation International, a Missions Service Organization, in an effort to provide you with some appropriate alternatives has compiled the following list of viable options for the success of your ministry.

**A. Independent Ministry:** Developing your own ministry with “all” the responsibilities

1. Advantages
  - a. Offers greatest flexibility in planning your ministry
  - b. You are completely your own boss
2. Considerations
  - a. Requires the expensive and time consuming process of incorporation
  - b. Requires following government laws strictly as the biggest eye is on small personal ministries
  - c. Record keeping must be accurate and up to date
  - d. May need to purchase equipment to carry out work such as computers, printers, copy machines, etc. (Plus updates on many computer programs.)
  - e. Requires hiring someone to maintain “business” while you are gone

**B. Church Sponsorship:** Your work and finances go through the church which handles your business

1. Advantages
  - a. May be able to provide 501 (c) 3 covering, licensing and ordaining US Tax structures
    - 1) For churches: 501(c)(3); 170 BI-AI (All cannot handle missionary finances)
    - 2) Sending organizations and service agencies: 501(c)(3); 170 BI-A6
  - b. May donate services to you.
  - c. May help with preparation of your newsletter
2. Considerations
  - a. May not have the right legal status to handle you
  - b. May depend heavily on volunteer help to meet missionary needs
  - c. Church’s first priority is always the congregation, not you
  - d. Changes or problems in the church may affect missionary income

**C. Family or Friends:** Someone doing your business "as a ministry to you"

1. Advantage: Generally no cost
2. Considerations
  - a. Cannot provide tax deduction to donors without incorporation
  - b. Can not provide licensing and ordination
  - c. May not be trained in or able to handle all areas needed
  - d. May not keep up with legalities (possibly they do not know how)
  - e. Although well meaning, they may not be dependable or may burn out.

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- f. If legal issues come up, they may not be prepared to handle it
- g. This method generally does not appear solid to donors.

### **D. Sending Organization:** An organization which directs and oversees your work

#### 1. Advantages

- a. Can provide 501 (c)3 covering
- b. May provide licensing and ordination
- c. Sometimes will handle your finances
- d. A good way to get started in missions
- e. Frequently provide a support system while you are on field

#### 2. Considerations

- a. Generally directs the ministry plan for all involved
  - 1) Missionaries are considered "employees" of the ministry
  - 2) Directs the work of the missionary
  - 3) Is responsible for the work done
  - 4) Can send you where they need you the most, direct what you do and who you work with. This means that your choices may be limited.
- b. Frequently require completion of their training program
- c. People often believe you are paid by that ministry. (Requires adequate explanation)
- d. Many require a tithe or donation to the ministry from all workers as well as an administrative fee.
- e. They generally send their own newsletter to all donors and solicit donations from them
- f. May continue to solicit donations from your donors after you leave

### **E. Missions Service Agency:** A 501(c)3 tax exempt ministry formed for the purpose of providing the administrative functions for missionaries.

#### 1. Advantages

- a. Offers flexibility in planning your ministry but saves the time and expense of incorporation
- b. You are completely your own boss
- c. Will assist with newsletter preparation and mailing
- d. Will maintain your mailing list. It is your list and will remain private.
- e. Provides 501(c)3 covering. Your donors receive tax exemption for donations
- f. May provide licensing and ordination (if requested)
- g. Can handle your personal finances as well if requested
- h. Your focus is on ministry not administration
- i. A staff who is trained and qualified to handle administrative functions; whose priority is your ministry

#### 2. Considerations

- a. Missionary tithe covers administrative fee
- b. Requires trust in agency administration
- c. The missionary must be able to delegate business matters to someone else

**Many find that the Mission Service Organization is the best of both worlds. You have the time to focus on your responsibilities and can be confident that you are well represented back home.**