

Budgeting Guidelines

To start ... you already have a pretty good sense of regular costs ... airfare, local transportation, room & board, and spending money. Work up a spreadsheet with those details.

Think through all that you'll do when you are in your host country ... where you'll go (if you'll visit anywhere other than your work site), who and what will help you get there, will you eat while you're visiting (and if yes, what will you eat), will that be included in packaged fees or will you tell people to bring money to cover for it, and so forth. Think in terms of a flow chart for your itinerary (hint: you've probably done this many times before when planning a family vacation). As you work on your draft, feel free to run numbers by your host. Often, there is a host representative who will have a good handle on some of your trip questions. That person may even have a substantive list of travel costs already prepared based on previous group experiences. In many cases, s/he will have a standard room and board fee of \$X per day for each person in your group.

In the majority of countries where you'll be, rooms will be shared like in a dorm with basic shared services such as a couple of baths/showers for the group and the rate, which may or may not include all meals, will range from \$25 - \$60 per person for each day that you are on site. So, a safe starting point for a 10 day trip would be \$600 per person for room and board.

Now that you've completed a draft of your budget with all the obvious costs, think about all of the potential hidden costs and contingencies?

Potential Hidden Costs

- If people travel at different times, you may not be able to get group rates. Does that increase the overall projected cost of the trip? (smaller group, higher airfares for all)
- Do you need a bus to get to and from the local airport?
- Are all taxes included? Do you know which ones are and aren't? It is recommended that group leaders determine the specifics of any passport tax or departure visa fees and hold sufficient funds to cover the exit fees for all volunteers. You don't want to discover at the airport that missionaries forgot the exit fee and spent all of their money buying crafts ... guess who gets to pay? Probably you!
- Did you include airport taxes, entrance and exit fees, and so forth?
- Are there meals that aren't included in the budget ... for example, does your local representative helping you plan include just breakfast and dinner in the overall rate s/he gave you and assume you're on your own for lunch?
- Do you get travel insurance as a group? If so, is that included in the team budget?
- Do you take gifts for your host?
- Do you tip the staff when you leave? (Every trip I've ever been on we've tipped the staff in some way either through the Diocesan offices as a single lump for all staff, or

individually. You'll want to speak with your local representative about the most appropriate way to tip staff. Regardless of the answer, you're advised to have tips included in your budget ... it makes life much easier for the team leader to know you have that covered.)

- Do you want people to read particular books, buy a language book, etc.? Might they be cheaper in bulk, bundled into the overall project cost?
- Are passport visas included in your budget? They probably aren't, but as a courtesy you should be prepared to tell people about the visa process and cost.
- It's assumed that everyone will cover their own pre-trip medical expenses for shots and any medications they want to bring with them such as Malarone or Chloroquine to protect you from malaria. But, will you also take a group first aid station and specifics for water purification?
- Will currency exchanges impact your budget between the time that you create it and the time that you travel? (Is the local currency pegged against a particular international currency ... the Mark, Pound, Dollar, Franc, etc.?) You may feel confident you did your homework only to discover that international currency rates have shifted significantly in six to eight months, increasing the cost of your trip by \$50 or \$100 per person. While you may not think that's much of a problem, discovering a \$1200 hole in your budget days before departure is no fun.
- Does your host country have things like fuel surcharges? (You might receive a quote for transportation to and from your host site, but get charged a different fee when you actually travel ... the fuel surcharge wasn't included in the quote, but there was an assumption on their part due to local custom.)

Sometimes you need to think in terms of worst case scenarios. For example, let's say you are quoted \$2000 for a bus. You've projected and budgeted \$100 for the 20 people in your group. But by the time you travel, your group is down to 16 and the bus still costs \$2000. Who covers the missing \$400? How do you reconcile the difference in your budget?

Some folks complete their budget and then add 20% as a cushion. The logic is that it is easier to give back money or require less funding in the final analysis, than it is to ask for more at the last minute. You might consider some kind of contingency factored in to your budget in the range of 10% to 20%.

Remember that budgets are practical. That means you need accounts, relationships with financial managers (church treasurers), and all of the associated accountability. You'll need to pay bills, purchase plane tickets, and receive grants and donations. If you plan to do any fundraising, you'll also need your funds going through a non-profit institution (most likely your church), because people making donations will want the tax deduction and organizations giving grants or other contributions will require it. Ultimately, someone has to make deposits and write checks. It's a good idea to develop a relationship with whoever is going to assist with the financial matters early in your process.

Models for covering trip costs

In most cases, you'll probably have individuals pay their own share. For example, the overall trip budget might be \$18,000 and you plan to take 12 people, they will each be responsible for \$1500. We refer to that as the "entirely self-paid" model. While this is the most common, it is not the only option.

If the entire team is from one particular church, sometimes the church chooses to run everything through a sub-line of the mission budget. They let everyone in the group know the cost per person, but the church simply plans to pay for the cost. This provides the church with a way to feel totally connected and committed to the mission activity and also allow individuals of limited means to feel comfortable participating. This can also feel like a considerable leap of faith for a church concerned about pledges and paying the bills. In my experience, however, most people will contribute at least their share and many will give even more.

Other models incorporate some kind of need-based scholarships from the church for individuals who may find it challenging to raise the funds necessary to participate on a mission trip. My advice would be to make a decision about whether or not to worry about scholarship support based on your church demographics.

There are also a number of hybrid models you could use such as the "1/3, 1/3, 1/3 model," that is 1/3 from the church's budget, 1/3 from fundraising and 1/3 from each individual. This model enables a church to have some ownership of the mission, allows the missionaries to do some marketing and consciousness-raising through their fundraising efforts, and ensures that individuals will be committed by contributing their own funds.