

Budgeting Advice

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, who and what will help you get there, will you eat while there, will that be included in packaged fees, etc. ... think in terms of a flow chart (hint: you've probably done this before planning a family vacation). Also, make sure you engage with your host. Often, there is a host representative that will have a good handle on some of your trip questions. That person may even have a substantive list of travel costs based on previous group experiences.

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

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 rates 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?
- Are there meals that aren't included in the budget ... for example, does your planner include breakfast and dinner and assume you're on your own for lunch?
- Do you get travel insurance as a group? If so, is that included in the budget?
- Do you take gifts for your host?
- Are all project funds included ... will you plan to give "post-project" funds to help ensure the work continues after you depart?
- 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?
- Did you include airport taxes, entrance and exit fees, and so forth?
- Medical expenses for shots and medications (will you 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.
- Does your host country have things like fuel surcharges? (You 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 assumed by local custom.)

Sometimes you need to think in terms of worst case scenarios. For example, 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, you're 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 or require less than it is to ask for more. You might consider some kind of contingency factored in to your budget in the range of 10% to 20%.

It's important to ask participants to make a deposit early on ... even if only \$100. This gives you a better sense of who is serious and helps participants commit to the trip and associated processes. You'll need to decide whether or not you'll give refunds for cancellations, and if yes, under what circumstances. It may seem harsh to refuse refunds, but the alternatives are to figure out where to get the funds to cover the extra costs or ask the group to pitch in and pay the difference. A realistic example might be that you requested \$250 deposits. You've now completed all of the planning and the costs are going to be what they are (buses, potentially non-refundable airfare, etc.), and two people of a group of 12 decide to back out. You won't receive much, if any, savings from their dropping out, and will now be in a position of having to ask the rest of the group for \$50 per person to pick up the difference from losing the deposits from the two that dropped out. What seems fair? ... having to lose \$250 for dropping out (for whatever reason) ... charging the difference to the parish mission budget ... or asking the group to pay more because someone dropped out?

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, purchases plane tickets, and receive donations. Someone has to make deposits and someone has to 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

- Entirely self-paid (everyone on their own to cover costs)
- The church mission budget picks up the tab
- Pay as you can/need-based scholarship
- Hybrid plans (samples)
 - a) 1/3 church, 1/3 fundraising, 1/3 individual (more traditional)
 - b) Pooled resources (contributions and fundraising)
 - c) 1/2 church/fundraising, 1/2 individual