

Business Trips Documentation Guidelines

The NC Conference policy for documentation of business trips is based on IRS guidelines. Publication 463, which can be found here: <https://www.irs.gov/pub/irs-pdf/p463.pdf>, details out the requirements for documenting business trips, including mileage and meals expenses. Please refer to Table 5-1 on Page 27 titled How to Prove Certain Business Expenses.

Our trip report provides the fields to obtain the adequate documentation needed to minimize your risk of having business trips considered nondeductible by the IRS. This has been an issue across the country, and the NC Conference wants to help all our clergy and staff prevent problems in the future in the event of an audit. The examples below can assist you in adequately preparing your trip reports:

Adequate:

Date	Location From	Location To/List All Destinations	Business Purpose of Travel
3/1/2018	Home – Mytown, NC	Guidance UMC- Notmytown, NC (Roundtrip)	Meet w/J. Doe re: Appointment
3/2/2018	Home – Mytown, NC	Support UMC - Anothertown, NC	Meeting w/ J. Doe, coaching
3/2/2018	Support UMC - Anothertown, NC	Coffee Place @ Main St – Yourtown, NC	Pastoral Consultation
3/2/2018	Coffee Place – Yourtown, NC	Home – Mytown, NC	Pastoral Consultation

Inadequate:

Date	Location From	Location To/List All Destinations	Business Purpose of Travel
3/1/2018	Home – Mytown, NC	Notmytown, NC (Roundtrip)	Meet w/ J. Doe
3/2/2018	Home – Mytown, NC	Support UMC	Meeting w/ pastor
3/2/2018	Support UMC	Coffee Shop	Breakfast w/ pastor
3/2/2018	Coffee Shop	Home	Return Home

As you'll see from the IRS Publication 463 and the examples above, your business purpose must be an actual business reason for the expense or the business benefit gained or expected to be gained. To only say you met with someone does not give the business purpose; the reason for the meeting (in the above examples, regarding appointment or coaching) does. To have breakfast does not give business purpose, but coaching over breakfast does, and so forth. This is applicable to both your trip reports AND meal/ other expense receipts (i.e., meals and expenses charged to your credit card or paid personally and reimbursed; see Conference Travel Policy for more information).

Please read the article, *Don't Take Logs Lightly* here:

<https://www.churchlawandtax.com/web/2010/august/donttakelogslightly.html> which gives a real life case where inadequate documentation caused an audited individual exposure to non-deductible miles and thus penalties and interest on taxes due. Our policies are designed to protect you as the taxpayer from incurring taxes on what otherwise may be considered nontaxable business reimbursements.