

Pay Mileage or Provide Vehicle?

This is not meant to convince the church to provide the pastor with a vehicle. There are other concerns such as: 1)Do we have people in the church who will help look after and maintain the vehicle; 2)Is someone willing to donate a vehicle or sell it to the church at a greatly reduced cost; and 3)Does the pastor's family affect what vehicles would work? The important thing is the methodology which can be applied to similar decisions.

Scenario 1

Pastor of Strasburg/Herreid is usually reimbursed for 10,000 miles per year. A member of the Strasburg church would like to donate a 2010 Honda Accord to the church for the pastor to use in church business. The car is similar to the pastor's current vehicle and is in good condition. Should the church accept this gift?

Cost of Continuing to Reimburse Mileage	
Miles	10,000
Reimbursement Rate x \$	0.54
Total Cost	= \$ 5,400

Cost to Accept Donated Vehicle	
Cost of Vehicle	\$ 0
Registration/Taxes	100
Oil Changes	+ 160
Fuel	+ 766
<i>Miles</i>	10,000
<i>Miles/Gallon</i> ÷	30
<i>Fuel Price</i> x	2.299
Expected Maintenance	+ 750
Washing/Cleaning	+ 120
Insurance	+ 800
Total Cost	= 2,696

Scenario 2

Same details as Scenario 1 except that the member is willing to sell the car to the church at the Trade-In value of \$6,500.

Cost of Continuing to Reimburse Mileage	
Miles	10,000
Reimbursement Rate x \$	0.54
Total Cost	= \$ 5,400

Cost to Accept Purchase Vehicle in Year 1 (Costs in Years 2+ will be similar to Scenario 1)	
Cost of Vehicle	\$ 6,500
Registration/Taxes	360
Oil Changes	+ 160
Fuel	+ 766
<i>Miles</i>	10,000
<i>Miles/Gallon</i> ÷	30
<i>Fuel Price</i> x	2.299
Expected Maintenance	+ 750
Washing/Cleaning	+ 120
Insurance	+ 800
Total Cost	= 9,456