

Money and Volunteers

Volunteering is not free

In accordance with Volunteering Australia's National Standards for Volunteer Involvement for organisations, volunteers have a right to expect a policy on reimbursement for out-of-pocket costs they incur while undertaking agreed activities in their role. Problems can arise when organisations fail to have a clear policy on the matter, or fail to communicate that policy to their volunteers. To avoid misleading expectations, ensure your policy is kept up to date and cover it in induction and orientation for volunteers.

Sample reimbursement policy

The details of your organisation's policy on out-of-pocket expenses will depend on the circumstances of your volunteer program. Build on this sample to develop your policy:

- Volunteers will be reimbursed for out-of-pocket expenses incurred when undertaking authorised activities on behalf of the organisation.
- Volunteers may be reimbursed for the use of public transport to or from approved activities, such as meetings and training.
- The use of private vehicles for approved activities will be reimbursed at the rate of \$ ___ per kilometre.
- Reimbursement will be made only where prior approval has been given and where relevant receipts and/or other documentation are produced.

Procedures

Organisations should also document the procedures that support this policy – and make sure volunteers know and understand them.

These may include:

- Where to obtain and submit expenses claim forms
- Who can approve cost-incurring activities and subsequent claims
- Time frames for claims
- Caps on claims
- How reimbursements will be paid.

Other payments

Some organisations wish to recognise the efforts of their volunteers with an allowance or honorarium.

Volunteering Victoria supports the definition of volunteering that sees it attracting no financial payment; in other words we believe volunteering is an unpaid activity.

Organisations that offer allowances or honorariums should ensure volunteers understand the possible implications for their personal tax – include this information in your policy on payments.

Such payments may be assessed as taxable income, particularly if the services rendered by the volunteer are the same as their usual paid work.

Reimbursements, allowances, honoraria and tax

A clear and consistent policy is crucial for organisations that choose to reimburse volunteers. Volunteers and their organisations should also be aware of the possible tax implications of some payment types for individual volunteers.

Note that direct reimbursements are not subject to income tax; nor are they tax deductible at present under Australian tax law.

Volunteering Victoria is the state peak body for volunteering. We provide support to volunteers and not for profit organisations, and represent the interests of volunteering in Victoria.

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Published March 2018.

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