

Definition of volunteering

Volunteering is the commitment of time and energy, for the benefit of society, local communities, individuals outside the immediate family, the environment or other causes. Voluntary activities are undertaken of a person's own free will, without payment, except for the reimbursement of out-of-pocket expenses.

Why pay expenses?

Volunteering Ireland believes that volunteers have the right to expect out-of-pocket expenses for the activities that they undertake. Volunteers give their time and skills free of charge; it is only fair that they should be reimbursed for any expenses they incur while doing so. In particular, the costs of volunteering should never be allowed to discourage those on low incomes (such as students and unemployed and retired persons), as these are often the very people who have the time to volunteer.

How should expenses be claimed?

Volunteers should never be *remunerated* (paid an honorarium, wage or pocket money). They should only be *reimbursed* for genuine out-of-pocket expenditure. It is good practice to reimburse expenses on the basis of receipts and not to make flat-rate payments. It is also good practice to set reasonable upper limits for meals etc. The building up of large sums can be avoided by stipulating a time limit for claiming expenses. It is a good idea to have a standard simple claim form incorporating the volunteer's contact details, dates of expenditure, reasons for expenditure, amounts involved, and the signatures of the persons claiming and authorising the payments. Receipts can be attached to this claim form.

What expenses can be covered?

Volunteering Ireland believes that ideally, any costs specifically incurred as a result of volunteering should be reimbursed. This includes:

- Travel to and from the place of volunteering
- Travel undertaken in the course of volunteering
- Subsistence (meals and accommodation taken during the period of voluntary work)
- Care of dependants while volunteering
- Telephone, postage and other communication costs incurred for the voluntary work
- Essential protective clothing and other health and safety measures
- Training of the volunteer.

Volunteering Ireland understands that not every organisation is in a financial position to reimburse all of these expenses to all its volunteers. It is nevertheless important that some provision is made in budgets to cover the payment of volunteer expenses. Involving volunteers is cost-effective for organisations, but it is not free.

Does paying expenses affect tax and social welfare payments?

Provided that the expenses paid reflect the actual costs incurred and are reimbursed at reasonable rates, the Department of Social and Family Affairs should raise no objections.

The Revenue Commissioners do not have a specific procedure for dealing with expenses paid to volunteers. In respect of paid employees, they state that payments will not give rise to any income tax implications where such expenditure is incurred **wholly, exclusively and necessarily** in the course of working. The following tax-free reimbursements are specifically disallowed:

- Travel to and from the normal place of work
- Subsistence costs if they are incurred at the normal place of work
- Care of dependants while working.

In addition, if any payments made exceed actually incurred expenditure, they are regarded as earnings. These are therefore liable for tax and may, in turn, affect any social welfare payments. Revenue Commissioners leaflets IT 54 (Subsistence Expenses) and IT 51 (Motoring Expenses) lay out exact scales of allowable reimbursements.

Revenue Commissioners approved mileage rates for drivers using their own vehicles (up to 4000 km per calendar year)

up to 1200cc	1201 - 1500cc	1500cc and over
79.70 cent	93.04 cent	108.23 cent

But what if volunteers do not want to claim expenses?

Some volunteers are reluctant to take any money from the organisation with which they are involved. A solution is to ask them to claim their expenses and then donate the money back to the organisation. This also allows the organisation to monitor the actual cost of volunteering and avoids the problem of creating a divide between those volunteers who claim expenses and those who do not.

And finally...

Organisations must ensure that every volunteer knows that they have a right to out-of-pocket expenses and what the procedures for claiming them are. By publicising their volunteer expenses policies widely, organisations will undoubtedly find that it improves recruitment rates and that volunteers will stay longer too!

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