Guidance on Volunteer Expenses Policy

At Volunteering Barnet, we think organisations should pay volunteers’ travel and lunch expenses where possible. For some organisations working with limited funds, they are not able to provide expenses.

# Why you should pay volunteer expenses if you can

Covering expenses ensures that people in all financial situations can volunteer. It helps with recruiting and retaining volunteers, and shows respect towards their time and effort.

# Importance of paying expenses rather than giving out cash

Organisations should pay expenses to volunteers rather than providing them with cash as a general ‘payment’. If a volunteer is paid in excess of their expenses, this will be interpreted as payment for work done, and any welfare benefits could be affected. The volunteer could be liable to pay tax on this money, and the organisation could fall foul of minimum wage legislation. Asylum seekers are also affected, with strict Home Office guidelines warning that anything beyond remuneration for actual expenses will be construed as payment for (illegal) work.

# What expenses to pay

| **Item** | **Suggested amount** |
| --- | --- |
| Lunch or dinner if volunteering for more than 3.75 hours. | £5 for lunch£13 for evening mealReflect on where nearby volunteers can buy lunch or dinner and if there are suitable places |
| Any materials and items, agreed upon in an advance, required for delivering activities (e.g. colouring felt tips for an engagement day) | As agreed |
| Public transport travel | Up to £8Be explicit about how much you can pay – it may be up to a certain amount or within certain TfL travel zones. |
| Travel by bicycle | 20p a mileAgree the maximum amount/proportion of a commute you can cover |
| Travel by car | 45p a mileAgree the maximum amount/proportion of a commute you can cover |
| Travel by taxiThis may be necessary for volunteers who are disabled, or for certain activities (e.g. if they are delivering activities at an event and need to transport items) | As agreedYou may wish to have a policy on tips |

You may also wish to pay expenses for childcare

# Guidance on Volunteer Expenses

* It is good practice to have a volunteer expenses policy which outlines what will be paid – including that any expenses outside of the policy should be agreed in advance.
* Ensure that your expenses policy is clear and the associated process are clear.
* If you cannot pay volunteer expenses, be upfront and make it clear in your recruitment and induction processes.
* When applying for funding, include volunteer expenses in your proposed budget. In addition to enabling you to cover expenses, funders and donors also often like to see that you'll pay volunteer expenses.
* Make it clear that you budget for volunteer expenses, that you want volunteers to claim expenses, and that they won’t be taking money away from service users.
* It’s okay to provide expenses payments in advance, as long as receipts are provided once the money has been spent and any remainder is returned. This can be especially helpful for volunteers with a low income who may find it difficult to cover expenses upfront. Consider having a petty cash pot to provide for this.
* Volunteers giving time from home may have additional expenses. Consider offering expenses to cover costs such as internet. However, when people volunteer from home it can be difficult to work out what portion of broadband and heating etc. is used for volunteering only. Keep in mind that you must be able to prove that what you’re paying is a reimbursement of a volunteering expense and nothing additional.
* You must keep receipts and records of the sums exchanged. If you pay volunteers above reasonable expenses it will count as taxable income. It may also create an employment relationship which would give the volunteer employee rights.

**More information is available on the NCVO website:** <https://www.ncvo.org.uk/help-and-guidance/involving-volunteers/planning-for-volunteers/paying-volunteer-expenses>