

# VOLUNTEER REIMBURSEMENT POLICY POSITION STATEMENT

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Reimbursement is compensation paid to someone for damages, losses or money already spent. In volunteering, the term is widely used to refer to compensation provided to volunteers by an organisation for expenses or costs incurred as part of the volunteer role or activity.

Anecdotal evidence from the Tasmanian volunteering sector and the findings of research on Tasmanian volunteering indicates that the majority of Tasmanian volunteers are not being adequately reimbursed for their expenses. The evidence suggests that this could be because:

- Some volunteer-involving organisations (VIOs) might not have enough resources to reimburse volunteers;
- Some VIOs might have undefined rules around volunteer reimbursement; and
- Some VIOs might not have a clear procedure for volunteers to follow to get reimbursed.

## BACKGROUND

### What is reimbursement?

Reimbursement is compensation paid to someone for damages, losses or money already spent. In volunteering, the term is widely used to refer to compensation provided to volunteers by an organisation for expenses or costs incurred as part of the volunteer role or activity.

VT recognises that a characteristic of volunteering is that it is an unpaid activity. However, it is also recognised that the volunteer may receive reasonable or appropriate reimbursement for expenses incurred that are associated with the volunteer activity or role.<sup>1</sup>

<sup>1</sup> Volunteering Tasmania, Characteristics of Volunteering statement, July 2012

## VT'S POSITION ON VOLUNTEER REIMBURSEMENT

To foster a culture of volunteer reimbursement, VT recommends that:

- VIOs reimburse volunteers for authorised out-of-pocket expenses incurred relating to the volunteer role, commensurate with paid employee expenses where applicable.
- VIOs have a policy in place covering volunteer reimbursement, which is actively promoted to the organisations' volunteers.
- VIOs have a procedure in place to ensure timely volunteer reimbursement, which is actively promoted to the organisations' volunteers.
- VIOs include the costs of volunteer reimbursement in budget forecasts and project submissions.
- Funding sources actively encourage VIOs to include volunteer reimbursement costs in project submissions.

### Are volunteers being reimbursed?

There is often a financial cost to volunteering, for both the volunteer and the VIO. Some of the costs to the volunteer may include travel costs to and from volunteering, parking, travel during volunteering, training, uniform, meals, childcare, tools and equipment, phone calls, administration, and even income foregone.<sup>2</sup>

While a high percentage of volunteers generally incur expenses associated with their volunteering role, our best indications suggest that only a small percentage are reimbursed. Volunteering Tasmania's *State of Volunteering*:

<sup>2</sup> Webb, M. and Bird, L., *State of Volunteering Report: Tasmania 2010, 2010*.

*Tasmania 2010* (SOVR 2010) report found that while sixty-two percent of volunteers in Tasmania incur out-of-pocket expenses associated with their volunteering, only around a quarter receive full reimbursement for those expenses.<sup>3</sup>

The low levels of reimbursement for Tasmanian volunteers are reflected nationally. The Australian Bureau of Statistics' 2010 Voluntary Work survey found that fifty-eight percent of volunteers incurred some level of expenses and of those volunteers only a quarter reported that reimbursement for specific costs was available from the organisation for which they volunteered.<sup>4</sup> A study conducted by Volunteering Australia in 2006, *The Rising Costs of Volunteering*, also found that eighty-eight percent of volunteers surveyed incurred out-of-pocket expenses which were not reimbursed.

The SOVR 2010 research indicates that the geographical area of the volunteer and the type of role can influence the expenses incurred by the volunteer. Sixty-nine percent of volunteers from rural or remote-based organisations indicated that they incurred expenses compared with sixty-three percent from metropolitan-based organisations, although the proportion which received reimbursement was the same. Additionally, volunteers in one-off roles and short-term projects indicated the lowest levels of reimbursement compared with volunteers in ongoing roles (both regular and irregular). The expenses incurred and the reimbursement available may also depend on the sector or area in which the volunteer is undertaking the activity.

## Why is reimbursement important?

Reimbursement is an important part of maintaining the sustainability of volunteering. Often, reimbursement is expected by the volunteer as part of their commitment to the organisation and their volunteer role.

Financial costs can also act as a barrier to volunteering. Having reimbursement available ensures that people who might have otherwise not been able to volunteer due to the costs involved are able to. Volunteers may also leave volunteering roles if their circumstances change and they are no longer able to meet the costs of volunteering themselves. Having reimbursement can prevent this occurring.

## Why aren't volunteers being reimbursed?

### *Not enough resourcing*

The SOVR 2010 research found that a common sentiment expressed is that VIOs would like to reimburse volunteers but are limited in their ability to do so due to funding constraints. This constraint is also reflected in a study conducted by VT in 2004 on the reimbursement of volunteers for out-of-pocket expenses in HACC-funded services, where it was found that many services would like to reimburse volunteers but were unable to because of lack of funding.<sup>5</sup>

Funding arrangements for volunteer programs may not include reimbursement of volunteer expenses as part of the program costs. VIOs which are able to meet the costs of reimbursement may do so through raising funds in other ways, such as fundraising activities, or through taking funds from other programs. However, this is not a sustainable method of meeting the costs of reimbursement in the long-term.

<sup>3</sup> *Ibid.*, p111.

<sup>4</sup> Australian Bureau of Statistics, *Voluntary Work Australia*, 2010, Cat No. 4441.0.

<sup>5</sup> *Volunteering Tasmania, The Reimbursement of Volunteers for Out-of-Pocket Expenses in HACC-funded Services*, May 2004.

The expenses incurred by volunteers are also rising due to external influences such as the rising cost of petrol. This is likely to lead to more volunteers claiming for these expenses, putting increased pressure on the financial capacity of VIOs and the need for increased resourcing.

### **Undefined rules and misinformation on volunteer reimbursement**

A problem cited by volunteers as part of the SOVR 2010 research was the undefined rules and misinformation regarding expenses and associated reimbursement. A reimbursement policy for volunteers is important for establishing what expenses are covered and at what rates, so that it is clear to all parties involved. It is also important that the policy is made readily available to volunteers.

What expenses are reimbursed and at what costs is likely to depend on the specific circumstances of each VIO and the volunteer role. A general rule is that it may be appropriate for VIOs to apply the same reimbursement rules to volunteers as with paid employees.

### **Problems with the process for claiming reimbursement**

Another problem cited by volunteers as part of the SOVR 2010 research was lack of timeliness or confusion with the processes for claiming reimbursement with their VIO. The process may not be communicated effectively to volunteers or it may take too long to complete. This finding indicates the importance of having a functional, accessible and clearly communicated procedure for reimbursement claims that is readily available to volunteers.

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