



Tax Benefits for Volunteering

Key Issues

- Volunteers can deduct certain expenses if not reimbursed by the non-profit organization.
- Although volunteers receive economic, social and personal benefits from volunteering, most cited personal benefits as the greatest reason to volunteer.
- Tax benefits to volunteers may vary by state.

Best Practices

Highlight benefits of volunteering, even beyond the sense of caring and helping. Volunteers can:

- Learn something new
- Improve their health
- Make new friends
- Improve job skills
- Build confidence and self-esteem
- Get academic credit
- Receive tax deductions

Source:

http://www.sixwise.com/newsletters/05/09/21/the_personal_health_amp_economic_benefits_of_donating_your_time_to_a_cause.htm

Know the rules governing deductions and what expenses volunteers may deduct on their taxes. To qualify, your unreimbursed out-of-pocket expenditures must relate directly to the charity. Additionally, you must itemize your deductions on your tax return. Be sure to keep accurate records, including receipts, canceled checks, and other proof of expenses and charitable gifts, as these will be essential to support your deductions.

Examples of deductions include:

- Incidental expenses such as postage stamps or computer paper
- Uniforms if they aren't suitable for normal wear
- Hours spent volunteering
- Transportation by car, including mileage and parking fees but not maintenance or insurance
- Overnight travel

Note, consult a tax professional or www.irs.gov for specific questions. Be cautious with unique situations such as conferences/conventions or voluntourism trips.

Sources:

http://www.lsuagcenter.com/en/money_business/personal_finance/tax_information/Volunteers+Can+Claim+Expenses+On+Tax+Forms.htm

http://www.boston.com/business/taxes/articles/macpa/tax_tips/volunteers_deduct_out_of_pocket_expenses/

Think creatively about volunteering in the face of ever-rising gas prices. Make the rising costs of volunteering visible.

- Express appreciation for the extra financial donation every volunteer makes who drives without reimbursement of expenses (this should show up on the organization's donor list!).
- Do whatever you can to find money to reimburse volunteers for gasoline and other transportation costs – whether through a designated fundraiser, a corporate donor, or a line item in the agency's budget.
- Convene interested people in forming car pools – among volunteers, among employees and volunteers, and among the volunteers and employees in other nearby organizations.
- Ensure that meetings are essential. Fewer but longer face-to-face meetings or online options such as listserv exchanges might be good alternatives.
- Examine the requirements for a pre-set number of hours of training to see if they really do have to occur on-site with a group. Explore other options such as independent learning through video or online training.
- Collaborate with other agencies (perhaps more shared office space) and coordinate of calendars. Can events be held concurrently or sequentially to allow participants to carpool or at least to make only one trip instead of several?
- Create volunteering opportunities for parents chauffeuring children to sports or classes. Instead of making two trips, they can do some new volunteer work while waiting for the kids to be ready to go home.
- Target recruitment efforts to local people who can walk or bike to the site or who are in the area everyday anyway (for work or school) and can piggyback volunteer time onto a commute they already make often.

Source:

<http://www.energizeinc.com/hot/2008/08june.html>