

Financial Disbursements to Volunteers: Reimbursements, Payments, and Non-Cash Benefits

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A Note About Terminology

For the purpose of this project and this article, we use the term 'disbursement' as a general term referring to any type of financial value provided to volunteers by an organization in the course of their volunteer service, including reimbursement, payment, or non-cash benefits, defined as follows:

1. Reimbursement: financial reimbursement for expenses incurred during volunteering, such as reimbursement for mileage, supplies, or food.
2. Payment: financial honoraria or stipend for time, but not wages.
3. Non-cash benefit: distribution of vouchers or gift cards intended to reduce financial burdens associated with volunteering, such as bus tickets, parking passes, or the like.

And we adopted this definition of "volunteer:" any individual who freely contributes time and skills through mutual agreement with an organization (including traditional volunteer roles, interns, National and local Service Members, and fellows).

Introduction: How Inconsistencies Launched a Project



These days, when someone asks a question about a best practice or tool, all it usually takes to find the answer... or, perhaps, a phone call to colleagues.

But when members of a team at Colorado's [Community Resource Center](#) [7] (CRC), an organization dedicated to strengthening the state's nonprofit sector, recognized that they paid some volunteers a stipend but others not, they asked their consultant if any best practices or tools existed to guide their future practice. Little did they - or the consultant - know that this question would launch them on a multi-year investigation and collaboration.

The CRC team was working on obtaining certification as a [Service Enterprise](#) [8] and, as part of that endeavour, had been auditing all current volunteer roles while also conducting a needs assessment to identify potential new roles. Through that process, the team surfaced inconsistencies around the issue of payment.

For example, CRC had three mentor programs - each with its own practice around providing any financial payments to the mentors. The mentors in the Colorado Nonprofit Social Enterprise Exchange program were unpaid volunteers. Mentors in the Nonprofit Leadership and Management Program were paid consultants. And, there was yet another program with mentors who "occasionally" received honoraria. Recognizing that many factors play into whether a volunteer receives honoraria, stipends, or even reimbursements, they were not seeking a one-size fits all policy. Up until then, availability of funding and whether the position was in a rural area or near a metropolitan center played a big role in determining whether CRC mentors receive any stipends or honoraria. However, the team was interested in approaching the question with more intention and consistency.

Their consultant (co-author Beth Steinhorn) got to work. After online searches and calls with fellow consultants and leaders in volunteer engagement across the U.S., no clear answer turned up - except a shared desire to explore the topic further. One of those calls was with leadership of the [Minnesota Association of Volunteer Administration](#) [9] (MAVA), who not only expressed interest in exploring the topic but also offered to collaborate in delving into the topic further and possibly developing a tool. With that offer, a cross-state collaboration was born. For more than 12 months, a self-formed, self-led working group of volunteer engagement professionals from Minnesota and Colorado (including fellow co-authors Polly Roach, Mary Quirk, and Katelyn Kerker⁰¹) has been meeting to explore questions and implications around paying volunteers through reimbursements and, to some extent, through stipends or honoraria.

'Disbursement' Enters the Lexicon of Volunteer

Management

In recent years, this issue has clearly emerged as a critical issue in our field. Around the world, attitudes and resources vary nation to nation, as noted in [Mel White's 2015 blog](#) ^[10] comparing practices around travel reimbursements for volunteers in the U.K. and Australia. Meanwhile, recently in the U.S., some states are considering legislation around this issue; U.S. federal legislation has considered issues around mileage reimbursement in recent tax reform; and associations are exploring the role paid internships can play in advancing equity and diversity initiatives, such as the [recent resolution passed by the board of the Association of Art Museum Directors](#) ^[11] encouraging museums to stop offering unpaid internships.

While the results of our work are detailed below, a few findings are important for context. Our research and experience all point to one indisputable conclusion: Having a policy for financial disbursements to volunteers (including reimbursements) is valuable. Yet our research and experience also point to the fact that having such a policy remains the exception rather than the rule. Having a policy does not mean that an organization provides reimbursement. In fact, we are not making a recommendation one way or the other about whether an organization provide cost reimbursements. However, we do strongly recommend that a policy be thoughtfully developed. The following research and resources can serve as a guide to help you refine or develop a policy that fits your organization. Given laws regarding volunteer reimbursements vary state by state, nation by nation, and are subject to interpretation, the authors and e-Volunteerism recommend that readers consult legal counsel to determine the relevant parameters for your organization and location.

This article includes an overview of our research methods, key findings, recommended steps to navigating financial reimbursements, and case studies from the field.

The Need to Learn More: Our Methodology

The working group first formally convened in March 2018 and focused on defining the scope of the project. We decided to explore the question of “consistency in compensation and reimbursement for contributed work.” In other words, no matter the particulars of the volunteer role or activity, how do organizations decide if the volunteer work has any funds attached to it in any form (including stipends, honoraria, or reimbursement)? What factors – whether geographic, socio-economic, legal, funding, or other – play into such decisions? While we originally sought to develop a tool to assist organizations in making decisions around financial disbursements to volunteers, we recognized that more information would be needed.

While some team members dove into researching the legalities and ethics around financial disbursements to volunteers through a brief literature review, we also wanted to better understand current practice among our peers in the field and harness their wisdom. Hence, a survey of the field was born.

Through the survey, we sought information to help us answer these questions:

- What are current practices around providing financial disbursements to volunteers?
- How do organizations make decisions around this issue? What factors are considered?
- What policies exist and could some of them be useful models for others in the field?

In summer 2018, the survey was promoted by all members of this collaborative team through social media, organizational e-newsletters, personal emails, and conversations. In total, the team collected 136 responses. Most of the respondents (78%) identified as Volunteer Coordinator/Manager/Director,

followed by Executive Directors (8%), and rest included Program Director/Manager, Volunteer, National Service Member, Board Member, Development Director/Manager, or others. While their roles were weighted heavily as Volunteer Coordinators, the types of organizations represented were quite diverse, as were the size of the volunteer corps represented. A majority of respondents come from organizations specializing in health and wellness, civic and community services, and special interest groups (family services, senior services, immigrant and refugee services). Based on the survey distribution list, it is assumed that responses were primarily from North America.

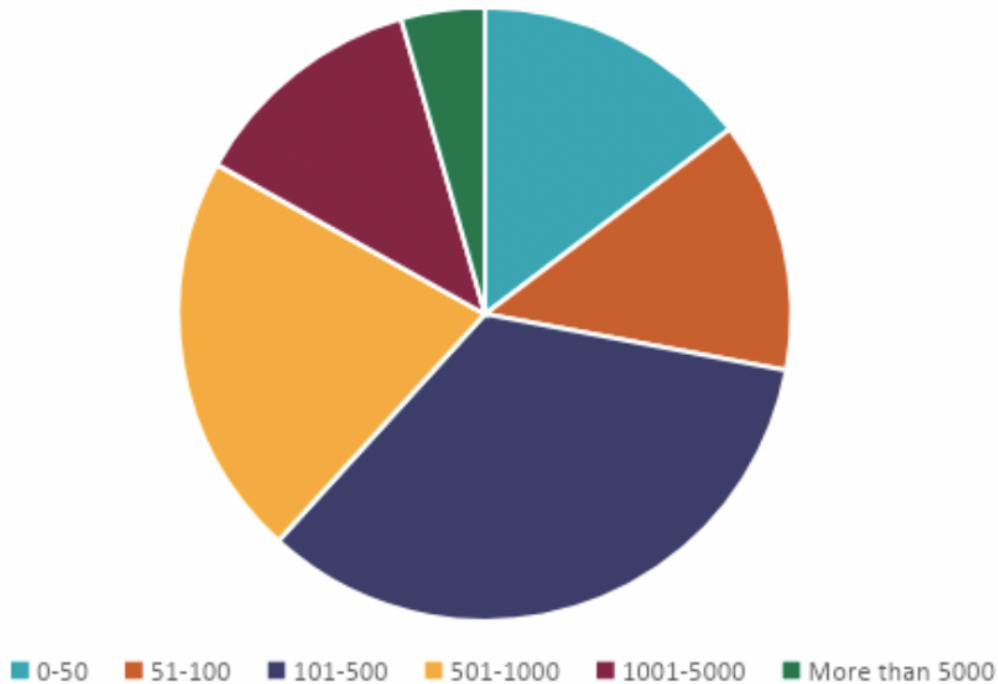
Who Responded?

Health and Wellness	28.68%
Civic and Community: Civic and Community, Arts and Culture, Faith Based Services	25.00%
Special Groups: Family Services, Senior Services, Immigrant and Refugee Services	19.12%
Other: Technology, International Service, Justice & Legal	7.35%
Economy: Adult Literacy & Adult Education, Internships & Employment	7.35%
Sports & Recreation	6.62%
Emergency	5.88%
Environmental Services	5.88%
Animal Welfare	3.68%
Military and Veterans Services	2.21%
Prison System Support: Providing services in prisons	0.74%
Prison System Support: Serving formerly incarcerated individuals	0.74%

How many volunteers do you engage?

As seen below, the largest group of responders engaged between 101 and 500 volunteers, and the smallest group engaged more than 5000.

Volunteers



Two additional sources of information proved invaluable. In June 2019, the team presented a session at the Points of Light (POL) Conference which enabled us to gather additional information, practices, and insights from practitioners in the field as a good portion of the session involved facilitated discussions designed to gather input from participants. Following the session, we set up interviews with practitioners to gain more in-depth insights.

Key Findings

Throughout this project, we have acknowledged that we have a few limitations on our data collection. During survey collection, we had a small data set with 136 respondents. The data set expanded slightly when we introduced this topic at the 2019 Points of Light Conference. We also acknowledge that respondents have different definitions around payments, reimbursement, and volunteers, despite our efforts to define the terms.

FINDING: 70% of survey respondents reported providing disbursement (reimbursement for expenses, stipends, honoraria, etc.) to volunteers.

The top types of disbursement:

- 50% reimburse volunteers for mileage or out-of-pocket expenses
- 13% provide National Service Members stipends
- 7% paid volunteers a stipend for their work
- 5% paid interns

Examples of reimbursement for expenses included: mileage or transportation costs, out-of-pocket expenses, food and meals during service hours, hotel and lodging, training and professional development opportunities, and childcare.

When asked what factors are considered when determining if disbursements are made to volunteers, the top factors included:

- 58% budget availability
- 45% benefits to the organization
- 42% increased inclusion by reducing barriers to volunteer for underrepresented groups
- 32% deemed necessary to successfully compete in volunteer recruitment.

FINDING: The top reason survey respondents do not provide payment (such as honoraria) to volunteers was that, by definition, volunteers should be unpaid.

When we asked respondents what their organizations' reasons were for not paying volunteers, the top three reasons for not paying are:

- By definition, volunteers are unpaid
- The organization has never needed to pay volunteers
- The organization doesn't have the funds available.

FINDING: Access to training was the most common non-cash benefit.

The most common non-cash benefits provided to volunteers are:

- Access to training or professional development opportunities
- Event tickets and discount passes
- Health, dental, life, liability, and other insurance

Other benefits included transportation and parking, meals, and apparel.

FINDING: Only 38% of survey respondents had a written policy regarding disbursements to volunteers, with many ideas shared on the best part of the policy and what they would change.

We learned that 48% of respondents stated their organization does not have a policy; 38% do have a policy; and 13% do not know if their organization has a policy in place.

Of the 38% of respondents whose organizations have disbursement policies, we asked what the best part of their policy is. Responses included:

- The policy is very clear and thorough regarding which expenses are eligible for reimbursement.
- The volunteer reimbursement policy is consistent with the staff policy.
- Reimbursement enables volunteers to get what they need without having to come in to the office every time (e.g., craft supplies for an off-site youth program).

When asked what respondents would change about their current disbursement policies, several respondents voiced they would change the monetary amount of the stipends they offer as they are outdated and too low^[9] and the hours required for volunteers to receive the stipend (as many volunteers find it challenging to reach the minimum hours required for the stipend). Others voiced the policy was too cumbersome and that it needs updating to comply with tax laws.

FINDING: The POL Conference session revealed further challenges in the practice of disbursements to volunteers.

Participants at the POL session expressed concerns about such organizational issues as staff turnover and lack of communication between people and departments. Challenges arise, for example, when there is a lack of communication or documentation about why some volunteers receive stipends or honoraria while others do not, which can leave new staff without institutional context. Conference

participants also reported a lack of sustainable funding sources in order to cover financial disbursements to volunteers. Many organizations rely on funding from foundations but funding is not guaranteed after the funding cycle, the foundation could change their priorities, the organization's mission could change and not 'fit' with funding priorities, etc. Participants discussed the struggle of justifying to paid staff the benefits of providing stipends when salaries are low and/or all staff are part-time.

Finally, the research surfaced additional practices that give a taste of the broad spectrum of practices around disbursements to volunteers -- many of which are aimed to making volunteering as accessible as possible. Examples include organizations with advisory committees that compensate participants with Visa gift cards to ensure that the group process reflects a diversity of life experiences; grassroots organizations that provide meals and childcare to make volunteering more accessible to all constituents; youth engagement programs that compensate youth with stipends or transportation vouchers to ensure that the engagement effort meets the organization's equity and diversity goals; and, of course, downtown organizations that offer bus passes or discounted parking.

Discussion: To Pay or Not to Pay - That is the Question

Payments to volunteers (specifically questions around stipends and honoraria) has become a hot topic in the last few years, with more organizations talking about and inquiring about it. For example, providing payment of some sort is increasingly considered a strategy to reduce barriers to volunteering and broaden opportunities for participation, which can be a goal within an organization's diversity, equity, and inclusion strategy.

A volunteer manager at a multiservice agency who has been working to improve involvement by the organization's clients in their community advisory groups says that she's come to realize that providing stipends can make it possible for those clients to participate more fully in the process. In return, the agency reaps the benefit of having their unique perspective and lived experiences reflected in decision-making. While this strategy has only been piloted in a few instances for one-time projects, she sees it as an extension of other efforts her agency is making to address barriers to engagement, such as holding volunteer meetings in the evenings or providing access for volunteers' children to youth activities while parents are meeting.

While we are not taking a position, we are attempting to increase dialogue about the topic and allow organizations to come to their own opinions based on their mission and values.

Here are some other places to learn more about the topic:

- Susan J. Ellis's on "[Save a Life, Win a Car! When Do Incentives to Volunteer Cross the Line?](#)" [12]"
- Rob Jackson's article on "[Bribing volunteers: Should we be incentivising people for their time](#)" [13]"
- Association of Art Museum Directors: In July 2018, AAMD piloted a paid internship program to 10 museums across the United States, with the first internships beginning late-Spring 2019. They announced in September 2019 that the program will continue for a second year. "Providing paid internships is an important step for the art museum field in creating and sustaining a diverse, equitable, accessible, and inclusive set of opportunities," said Jill Medvedow, Co-Chair of AAMD's Professional Issues committee and director of the ICA Boston. "Internships are an important gateway for those seeking careers in art museums, providing incredible opportunities for hands-on experience in many aspects of an institution's operations. Yet by failing to pay interns, we ensure that these experiences are only really accessible to those who already financially secure and, often, people who have established career networks available to them." ^(fmi) —

Steps for Navigating Financial Reimbursement

We started this project expecting to find clear answers on best practices for volunteer reimbursement. Instead, we learned that the picture is murkier than expected, with situations varying based on organizations' specific missions, finances, volunteer pools, volunteer roles, and culture. We also learned that organizations which have mindfully addressed volunteer reimbursement have discovered what works for them, but those solutions cannot necessarily be generalized for other organizations.

Instead of the clear answers we wanted, we came up with some questions to ask at different steps to determine what might work best for your organization:

Step 1: Initial Assessment

First, determine whether there is a volunteer reimbursement policy in place already. If you do not have a policy, considerations that may influence the need for a policy include:

- Are volunteers reimbursed on a frequent basis?
- Do they incur expenses or use their own resources while volunteering, such as buying supplies, driving clients, purchasing required clothing and equipment?

If there is a policy in place, review it to see if it is current, comprehensive, and implemented consistently or if it needs updating.

If you do not have a policy, a key determining factor in developing a policy is whether there is potential organizational support for offering volunteers reimbursement for costs they incur. If that internal support is unlikely or unclear, you may have some groundwork to do before moving ahead.

Step 2: Policy Development

If you decide to develop a financial reimbursement policy, or update an existing one, start by convening an internal work group; include those who would be involved in the reimbursement process such as volunteer engagement staff, finance staff, human resources staff, legal counsel, and key volunteers. As a work group, you can [download this checklist](#) ^[14] to guide the process of gathering background information and drafting new or expanded policies.

Having representatives of different organizational functions and interests will provide more diverse sources of data needed to make decisions, and generate stronger buy-in for the policy once developed. As part of its planning process, the group should develop projections of the likely amount of funding that will be needed to support reimbursement for volunteers based on typical numbers of volunteers and that costs might be reimbursed. Encourage group members to think broadly about implications of reimbursement for volunteers, such as assessing hidden costs of volunteering at your organization and whether reimbursement could reduce barriers to volunteer engagement. For some volunteers, the cost of transportation to volunteer sites, whether using public transportation or personal vehicles, can be a barrier to volunteer service; this may be especially significant in rural areas where longer travel times drive up costs. Group members may want to consider whether providing transit passes or gas cards would improve access to volunteering at your organization.

Step 3: Policy Implementation

Once policies have been written and approved, what happens next is key for ensuring clear understanding and widespread adoption. Budgetary oversight is crucial to address when

implementing these new policies; sources of funds for reimbursement should be identified in advance and access to these funding sources secured so that volunteers can be assured that reimbursement will be offered consistently. Ensuring that funding for volunteer reimbursement is not dependent on the availability of outside funding sources but is part of the organization's budget for volunteer engagement supports continuity as new policies are adopted and demonstrates the organization's commitment to their implementation. Communication about changing policies is also critical. The checklist we provided outlines areas that may need to be updated in parallel with new or expanded policies to provide clear information about what has changed or how new procedures will be implemented. It is important to review all possible methods of communication about reimbursement policies – volunteer position descriptions, orientation materials, volunteer handbooks, etc.– to verify that messages about reimbursement are consistent. Volunteer engagement leaders also told us that communication about updates to reimbursement policies or rates is critical, but can be the most difficult aspect of this issue to manage.

For more ideas and two examples of case studies from experts in the field, see our [Tips and Examples supplement](#) [15].

Conclusion

Change doesn't happen overnight. But the one message that rang clear from our two years of exploration is this: Investing time in developing and implementing a thoughtful policy on volunteer reimbursement will serve an organization well – and will grease the wheels of change so that the process goes more smoothly. Thoughtful, intentional change through a carefully crafted policy can serve as a foundation for engagement expansion and improvement.

If your organization already reimburses volunteers, having a policy in place is vital to supporting consistent, even application of the practice. Ensuring everyone is aware of the policy through open communication and transparency are keys to success. For two examples of organization with such policies, see the two sidebars, Minnesota Historical Society and Be the Match National Bone Marrow Association.

If your organization does not reimburse volunteers – or has not explored the idea in a systematic way – then developing a policy (even if that policy clearly states that reimbursements are not available) will clearly communicate the agency's decision and position so any future questions or requests can be addressed consistently and fairly.

While it may be appealing to search for a one-size-fits-all answer (and we certainly would have loved to have found one!), none exists. Nevertheless, many peers offered useful tips and replicable best practices that we incorporated into these tools and suggestions and we hope they motivate you to tackle this issue thoughtfully and collaboratively within your community. There is no need to reinvent the wheel as many clear policies exist (and we hope to help develop banks of reference policies through local associations as well as the new [National Alliance for Volunteer Engagement](#) [16] in the US).

The authors invite you to let us know if we missed useful questions or overlooked issues, and we encourage all readers to not only share them with us, but to fuel the conversation in your local, state, and national conversations about engagement best practices. We especially encourage all our colleagues to incorporate this work into the ongoing efforts around diversity, equity and inclusion, as it may provide an overlooked way to level the playing field for volunteers. As one interviewee, Leila Kaplan, Coworker Development & Outreach Coordinator for Camphill Association of North America noted, "Volunteerism should be an option for everyone."

Footnotes

^[1] Additional members of the original team included Karmit Bulman, MAVA, Judy Russel, MAVA; Andrea Swan, Community Resource Center; Emily Dobish, History Colorado; and Becky Mares, Cooking Matters.

^[2] O'Brien, Rourke L. and David S. Pedulla. "Beyond the Poverty Line." Stanford Social Innovation Review Fall 2010; Matthews, Dylan. "The official poverty measure is garbage. The census has found a better way." Vox 12 Sept 2017.

^[3] Association of Art Museum Directors Passes Resolution Urging Art Museums to Provide Paid Internships 20 June 2019:

<https://aamd.org/for-the-media/press-release/association-of-art-museum-directors-passes-resolution-urging-art-museums> ^[17]; AAMD Announces Museum Partners for New Internship Program Focused on College Students From Underrepresented Communities 31 October 2018:

<https://aamd.org/for-the-media/press-release/aamd-announces-museum-partners-for-new-internship-program-focused-on> ^[18]; Paid College Internship Program Will Continue for Second Year, Engaging Students from Underrepresented Communities in Career Development in Art Museums 12 September 2019:

<https://aamd.org/for-the-media/press-release/paid-college-internship-program-will-continue-for-second-year-engaging> ^[19]

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[8] <https://www.pointsoflight.org/service-enterprise-program/>

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[10] <http://robjacksonconsulting.blogspot.com/2015/01/to-pay-or-not-to-pay-that-is-question.html>

- [11] <http://www.artnews.com/art-news/news/aamd-resolution-paid-internships-12824/>
- [12] <https://www.energizeinc.com/hot-topics/2005/july>
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