

# The importance of reimbursing expenses for young volunteers



## Why reimburse expenses?

Young people **should not lose or gain financially** through volunteering and it should not cost the volunteer **anything other than time**. So, organisations should reimburse their expenses.

Expecting volunteers to cover their own costs can **deter those on low incomes** or with little cash. Most often, this applies to **young people**. Not to pay expenses **excludes** all those who **cannot 'afford'** to volunteer for your organisation.

Consultations with young people show that one of the biggest **barriers** to getting involved as a volunteer is the **lack of payment** for out-of-pocket expenses - **don't let it be an obstacle for your potential volunteers!**



## What expenses to reimburse?

HM Revenue and Customs and the Department of Work and Pensions recognise the following as being legitimate expenses for volunteers:

- **travel to and from** the place where the volunteering activity takes place (the recommended mileage rate is currently 45p per mile)
- **travel during** the course of volunteering
- **meals** taken during the course of volunteering
- **postage and telephone** costs
- **care of children** and other dependants during the period of volunteering
- the cost of **protective or special clothing**

## Some practical tips:

- **Be pro-active** - encourage and remind volunteers to claim their expenses.
- **Include volunteers in your expenses policy** - make sure that volunteers understand the process and rules of claiming expenses.
- **Only pay actual, out of pocket expenses**, supported by receipts wherever possible.
- **Have facilities for cash payment** as not everyone has a bank account.
- **Keep a record** of the expenses - this should include the name of the claimant, the type of expense and the amount paid. If it is a cash payment, ask the volunteer to sign and date to say they received the expense.
- **Feel free to set limits** on expenses. Your limit will depend on local costs and your financial position. For example, £5 should be enough for lunch.



## What should the volunteer expenses policy include?

- Exactly what expenses can and cannot be claimed by volunteers, and at what rate.
- The procedure for claiming, i.e. when, on which forms and what records or receipts are needed to accompany a claim made by a volunteer.
- What happens after a claim is made, and the method of payment – cash, cheque, into a bank account.
- What will happen if a fraudulent expense claim is made.
- How you will support volunteers who may need help with completing forms.

## Are up-front payments allowed?

You can pay expenses in advance or for anticipated expenditure so long as appropriate evidence of expenditure follows. For example, if a volunteer's travel to and from their place of work costs £20 per month in bus fares, you can pay the volunteer £20 at the beginning of the month or give them enough cash to cover the cost of a ticket each day. Ask volunteers to keep their tickets to give you as evidence.

## Case study

Tom is 14 years old and lives in Gwynfryn in north Wales. He volunteers every Wednesday for four hours in a local charity shop in Wrexham. Tom gets the **average 14-year-old pocket money of £9 per week**. The chart below presents Tom's expenses from volunteering.

Concession return bus ticket for the route Gwynfryn - Wrexham - **£3.50**      Sandwich, crisps and orange juice - **£3**



The 14-year-old spends **over 70% of his pocket money** on **transport** to and from his volunteering place and **food** that he eats during his time there. This means that he is left with just **£2.50 per week**.

Volunteering expenses might constitute a significant **barrier for young people** like Tom. Many of them, without having the ability to claim their expenses, will decide to **spend their pocket money on something else**. Despite their willingness to volunteer, the **potential costs will effectively block** their readiness to commit their time.

## Avoid giving volunteers:

- **'Pocket money'** not connected to out-of-pocket expenses
- **Sessional fees**
- **Honoraria** (one off payments for work done)
- **Lump sums** or other payments to cover "expenses" that are not in line with the rules for expenses outlined above
- **Regular perks** such as free items in return for volunteering

## Example

Ellie volunteers at a company to get some work experience. She's given travel expenses even though she walks to work. This could be seen as **payment rather than out-of-pocket expenses** and could jeopardise benefits. Payment is associated with a contract of employment—take care that the volunteer relationship is not a contractual one.

