



Using volunteers time as match funding

Introduction

Unpaid voluntary work can be used as a source of in-kind private match funding for projects receiving funding from the European Structural Fund programmes in Wales. This information sheet builds on the information provided in the separate Match Funding information sheet and we strongly recommended that you use this sheet in conjunction with the additional comprehensive guidance on match funding.

Who is a volunteer for match funding purposes?

It must be clear from the outset that volunteers are helping the project in their own private time and they are not either employed on the project. Any paid employee of the project who performs additional “voluntary” duties will not be eligible. (This should not be confused with the secondment of paid staff to a project by another organisation which is eligible under match funding rules.)

Also important is that a beneficiary of a project can not be included as a volunteer on that project for the purposes of match funding. This is particularly crucial where volunteers learn by actually working. They cannot be both a recipient and a provider of support on the project.

What records should be kept?

You will need to ensure that you can substantiate claim entries for unpaid volunteer time and the notional values placed on the activity. The manager of your project should hold records showing the nature of activities undertaken by volunteers, to justify the hourly rate used (see below) as well as signed time sheets detailing the dates and times they have volunteered.

How to value volunteer's time

WEFO wants to see volunteer's time for Structural Fund projects categorised, as far as possible, into certain roles with set notional salary rates. The rates below have been provided and confirmed by Welsh Government statisticians and are based on analyses using the 'Annual Survey of Hours and Earnings', (ASHE), which includes the latest data published 12 December 2013:

Role	Notional F/T salary	Notional hourly rate
Project Manager	42,756	21.72
Project Researcher	31,880	16.55
Project Coordinator	28,944	14.94
Trainer	27,775	14.26
Project Administrator	19,812	10.13
Self employed	NA	11.38

From the 1st October 2013 new National Minimum Wage (NMW) rates came into force. The NMW applies to nearly all workers and sets hourly rates below which you must not allow pay to fall. For Pay Reference Periods (PRPs) beginning on or after 1 October 2013, you will have to pay all eligible workers the following:

Workers aged 21 years of age plus £6.31

Workers aged 18 to 20 inclusive £5.03

Workers aged under 18 (but above compulsory school age)* £3.72

Apprentices* £2.68

*under the age of 18 and no longer of compulsory school age i.e. a person is no longer of compulsory school age after the last Friday of June of the school year in which their 16th birthday occurs.

These hourly rates include all (notional) on costs such as employers' NIC and pensions.

Try wherever possible to match the tasks to be performed by your volunteers with the examples. If you do not, approval of your project may be delayed, as any different rates may need to be agreed by WEFO.

It is recognised, however, that the work undertaken by some volunteers will not be consistent with these roles and in these cases a higher or lower notional hourly rate might be justifiable. For example, perhaps the role undertaken by the volunteer is a more technical or specialist one and would justify a higher notional salary rate. In these cases, a different notional rate may be used. You will need to show that the tasks performed by volunteers are appropriate to the job title given and that the notional salary used to cost the volunteer's time is reasonable and consistent with the salary they could expect if they undertook the same duties as part of paid employment. Cases where a **higher** notional salary rate than any of those shown above are used should be agreed with WEFO before you submit your project business plan. For tender and grant submission you will need to talk to your project sponsor who in turn will have to get the agreement of WEFO for any additional volunteer rates to be used.

You will need to keep clear documented justifications for the rate used .*e.g.* if a volunteer has existing employment equivalent to the work being undertaken on a voluntary basis, you can use that rate of pay or you may be able to gain average rates for a particular job from your local job centre. WEFO will consider proposed notional rates as part of its assessment process.

When a project has a voluntary worker performing the same work as a paid employee on the project, the rate allowed for unpaid volunteer time will be whichever is the lower of either the notional rate shown (if the work is consistent with one of the job titles shown in that section), or the rate paid to the equivalent paid employee. Should the volunteer change at any time, a value commensurate with the activity, not the original appointment, should be used.

Basing volunteer time on activity rather than status

It is important to note that the value of volunteer time is based on the notional value of the tasks performed by the volunteer for the project, not the current "earnings" of an individual in their usual paid employment. For example, a volunteer who has paid employment in a managerial role but who volunteers his or her private time helping a project with general administration tasks will have their time valued as an administrator not a manager. Similarly, the notional value applied to an unemployed volunteer who is in receipt of State

benefits would be that appropriate to the tasks they undertake as a volunteer, not the amount of benefits they receive.

It is also important to note that if an individual is used in a professional capacity for certain services which are essential to the project, those specific hours can be costed in at that person's professional rate. If the same professional however does a task outside of their professional capacity this must be costed at a rate appropriate to the activity they undertook. A worked example of using volunteer time is given in annex 1.

Maximum amount of volunteer time

Grant payments to a project will not be more than the **actual expenditure** paid out in respect of that project. This is because volunteers are not actually paid anything and to pay out the full grant rate may mean some organisations using a lot of volunteers could make a profit on this. Therefore, the grant will be limited to the relevant grant rate for the project or the expenditure actually paid out, whichever is the lower (See annex 2 for a worked example).

Annex 1: A worked example: The Baggins Foundation

In the separate match funding information sheet we looked at a £100,000 project operated by the Baggins Foundation. This was the project finance sheet -

Cost of project

1 full time training officer @ £25,000 pa	£ 50,000
1 part time administrator	£ 20,000
Beneficiary travel and subsistence	£ 5,000
Training Materials	£ 5,000
Hire of venues, Catering etc.	£ 20,000
Total Project Costs	£100,000

Intervention rate	45%
Europe will contribute	£45,000
Match funding needed	£55,000

Let us assume that the administrator was in fact a volunteer on the project and had been costed in at the administrative rate for volunteers at £7.75 per hour. Over two years the timesheets kept by the volunteer showed that over 2500 hours had been completed with a total value of £20,000. The project finance would then read -

Cost of project

1 full time training officer @ £25,000 pa	£ 50,000
1 part time administrator (Volunteer)	£ 20,000
Beneficiary travel and subsistence	£ 5,000
Training Materials	£ 5,000
Hire of venues, Catering etc.	£ 20,000
Total Project Costs	£100,000

Intervention rate	45%
Europe will contribute	£45,000
Private in kind Match funding	£20,000
Actual Match funding	£35,000

The total cost of the project is still £100,000 but by using volunteer time the organisation saved £20,000 of actual cash and so had to find an additional £35,000 in actual match

funding rather than £55,000.

Annex 2: Using too much volunteer time worked example

In the separate match funding information sheet we looked at a £100,000 project operated by the Baggins Foundation. This was the project finance sheet -

Cost of project

1 full time training officer @ £25,000 pa	£ 50,000
1 part time administrator	£ 20,000
Beneficiary travel and subsistence	£ 5,000
Training Materials	£ 5,000
Hire of venues, Catering etc.	£ 20,000
Total Project Costs	£100,000

Intervention rate	45%
Europe will contribute	£45,000
Match funding needed	£55,000

Let us assume that the administrator and the trainer were in fact both volunteers on the project and had been costed in at the appropriate rates for their activity. In the case of the training officer the Foundation agreed a rate of £15 with WEFO based on private trainer rates. Over two years the timesheets kept by the volunteers showed that the number of hours worked gave a value of this work of £70,000.

The cost of the project is still £100,000 but the project finances would then read -

Cost of project

1 volunteer training officer @ £15ph	£ 50,000
1 volunteer administrator @ £7.75ph	£ 20,000
Beneficiary travel and subsistence	£ 5,000
Training Materials	£ 5,000
Hire of venues, Catering etc.	£ 20,000
Total Project Costs	£100,000

Intervention rate	45%
Europe will contribute	£30,000
In-kind private match funding	£70,000

In this case the grant that the Baggins Foundation received was only equal to their actual expenditure and was less than the original grant rate for the project.

If you have a question about using volunteer time as match funding in-kind, please contact 3-SET.

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