

# Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

## When is a Volunteer a Volunteer?

In my last column, I explored reimbursing volunteers for expenses incurred while serving a nonprofit group. One reader suggested that an individual who does work that involves reimbursable expenses could potentially no longer be classified a volunteer, and may instead, need to be classified as an employee. This suggestion triggers interesting questions: When is a volunteer a volunteer? And when must the work of a volunteer no longer be considered voluntary?

Surprisingly, there is no universally accepted definition of volunteerism. Much depends on the context and setting of what is being done voluntarily, according to the journal *Nonprofit and Voluntary Sector*.

Typically, we think of something that is being done without pay as voluntary. But think about Ameri-Corps volunteers who may receive a stipend or college scholarship.

So when is a volunteer a volunteer? I asked Susan Waag, an employment law attorney based in San Luis Obispo, to help me answer this question. According to California law, a volunteer is someone who provides services without compensation, Waag says. But this doesn't mean a nonprofit group can't give a volunteer anything lest it be considered compensation.

"It won't violate some-one's status as a volunteer if they receive a nominal, tangible reward," she says.

Organizations need to be able to show appreciation to their volunteers for all the hours donated. The time and services contributed are considerable: The annual value of volunteer time in the county is \$18.4 million, according to the 2005 Economic Impact of Nonprofit Corporations in San Luis Obispo County. It is highly unlikely that the number of paid staff at nonprofit groups could increase sufficiently to replace these 907,000 hours of donated time. The key, Waag says, is to keep recognitions nominal.

An occasional meal, coffee mug or other item, or invitation to a volunteer appreciation event is fine, she says. If, on the other hand, these rewards take on real economic value, the person will likely need to be reclassified as an employee.

To illustrate this point, Waag uses as an example of someone who volunteers for a food bank or free meals program. If the volunteer is allowed to take home a small amount of food at the end of a shift, he or she isn't being

compensated. But if that person is allowed to take home enough food that he or she doesn't have to go grocery shopping, the person really should be classified as an employee.

When does someone cross the line? "Don't give someone so much that he or she volunteers just for the rewards," Waag says.

Giving volunteers' cash is not a good idea, either as a reward or to reimburse expenses, Waag adds. Cash also can easily be confused with pay. Every expense needs documentation and must be authorized and well-regulated.

When it comes to rewarding and reimbursing volunteers, "nonprofits need to be careful," she warns. "There is a huge gray zone in the law."

Workshops on management of volunteers offered by the Nonprofit Support Center ([www.nscsb.org](http://www.nscsb.org)) can help nonprofit groups treat volunteers properly.

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### Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

### Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

weekly column to help strengthen nonprofit organizations in the community. Each column is reprinted here as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at [barry@slocf.org](mailto:barry@slocf.org).