United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240

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In Reply Refer To:
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Memorandum

To: Service Directorate
Attention: Regional Volunteer Coordinators

From: Acting Director Rowan W Gould

Subject: Volunteer Reimbursement Guidance

Volunteers that support the U.S. Fish and Wildlife Service's (Service) many programs play a vital role in helping to fulfill our mission to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people. Our volunteers are individuals who want to give back to their communities, parents who want to be good stewards of the land and set examples for their children, retired people willing to share their wealth of knowledge, concerned citizens of all ages who want to learn more about conservation, and passionate people who enjoy the outdoors and want to spread the word about America's greatest natural treasures.

Although volunteers give of their time and often their resources, the Service has opportunities available to help defray the personal costs to volunteer for the Service. These include providing trailer pads and electrical/water hookups for volunteers that have motor homes or trailers, reimbursing for mileage in a personal vehicle at the volunteer rate, and paying of per diem when on travel for the Service.

The Internal Revenue Service (IRS) recently audited the Service payments to volunteers and concluded that many of the payments made to volunteers are considered income under relevant tax laws and regulations. The IRS further concluded that the Service had failed to report these payments on the appropriate form (Form 1099-MISC) and had failed to withhold the appropriate taxes.

In order to fulfill the requirements of the audit, the Service has developed guidance for reimbursing volunteers. Two options are available to compensate volunteers while under a Volunteer Services Agreement. The first option includes reimbursements to a volunteer

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that incurs no tax liabilities. These include reimbursements for mileage using IRS established rates (currently 14 cents a mile) or actual mileage, actual expenses (for example, reimbursement of a tool) or expenses incurred while under a travel authorization.

The second option includes reimbursements that can cause a volunteer to incur a tax liability. These include reimbursements for a living allowance, known in the past as a stipend, or costs above the established volunteer reimbursable rate (mileage above the IRS rate of 14 cents).

Reimbursement for a living allowance is permissible but the payments must be reported. In the spirit of true volunteerism, we do not encourage this reimbursement option; however, there are situations that support the payment of a living allowance, such as distance traveled and the time and effort expended by the volunteer, when the volunteer has agreed to be available around the clock, and/or when the volunteer provides services throughout the year. Project leaders should consider and approve these on a case by case basis.

In order to provide consistency across field stations and comply with the intent of living allowances being nominal, reimbursements should not exceed 55 percent of the local per diem. Volunteers receiving a living expense should work a minimum of 20 hours per week and substantially benefit the work of the Service.

As stated above, all volunteer reimbursements must be documented. Expenses made to volunteers that are above and beyond reimbursable rates established by the IRS may cause the volunteer a tax liability and must be reported to the IRS on a 1099 form. In an effort to track all compensation for volunteers, a new form has been developed by the Service. FWS Form 3-2373, entitled Claim for Reimbursement for Volunteer Expenses, must be used for all volunteer expenses whether actual reimbursement or living expenses. FWS Form 3-2373 takes the place of Miscellaneous Expense Form 1164. This form will both allow easier tracking of payments plus help create the required 1099 form. It is also important to note that reimbursement paid above established reimbursable rates, i.e., a living allowance, should be denoted using the BOC code 118A – Non-Federal Compensation/Awards on FWS Form 3-2373. The volunteer signing the claim for reimbursement for volunteer expenses should be made aware that the payment received is subject to tax liability.

In summary, there are options available to a project leader to help defray the personal costs incurred by volunteers in their work on behalf of the Service. Some options may incur a tax liability for the volunteer and must be reported to the IRS. There are three attachments to this memorandum. The first attachment provides guidance and more detailed information on volunteer reimbursements. The second attachment is a copy of the new volunteer reimbursement form, FWS 3-2373, and the third attachment is a copy of the vendor updating document, FWS 3-2239.

If you have any questions regarding volunteer reimbursements, please contact Deborah Moore, National Volunteer Coordinator, at Deborah_Moore@fws.gov (703) 358-2386 or Kay Robinson, Division of Financial Management, at Kay_Robinson@fws.gov (703) 358-2139.

Attachments

ATTACHMENT

Volunteer Reimbursement Guidance

General Information

An individual who performs hours of service for a public agency for civic, charitable, or humanitarian reasons, without promise, expectation or receipt of compensations for services rendered, is considered to be a volunteer during such hours (29 CFR 553.101).

Under Public Law 95-616, and the Fish & Wildlife Act, the Service is authorized to use appropriated funds to cover expenses and services incidental to the use of contributed services of volunteers. The authority allows for the reimbursement of these expenses as long as the expenses meet appropriation law requirements. It is important to note that reimbursement of volunteer expenses is **not** mandatory. Reimbursement is meant to offset the personal cost of volunteering and in no way should be considered salary or be approved in lieu of pay.

All volunteers must sign a Volunteer Services Agreement for Natural Resource Agencies, (OMB 0596-0080, Optional Form 301a). By signing a Volunteer Services Agreement, the volunteer shall be considered a Federal employee for the purpose of tort and liability claim provisions of title 28 of the United States Code and as authorized by the Fish and Wildlife Act. In addition to the Volunteer Services Agreement, all volunteers who receive reimbursements must have FWS Form 3-2239 (FWS Vendor Updating Document) completed and forwarded to the National Business Center (NBC) for processing. This is done only once and will allow volunteers to be reimbursed via electronic funds transfer and will ensure the appropriate 1099-MISC generation at year end. The following fields must be completed on FWS Form 3-2239 - Vend Type Field must be **(V)**; 1099 Vendor Field must be **Yes**; and the volunteer's social security number must be provided.

Volunteers can be reimbursed only for those costs directly related to the services they contribute. Volunteer reimbursements are not considered income by the IRS as long as the reimbursed amount is less than or equal to substantiated expenses. However, if the reimbursement is greater than the substantiated expenses, the excess is considered gross income for tax purposes. Volunteers should refer to IRS Publication 526, "Charitable Contributions" for information regarding claiming deductible contributions on their Federal income tax returns.

Reimbursement documentation is key and must be as detailed as possible and be supported with receipts, logs, statements, etc. for out-of-pocket expenses. When under official government travel, the same documentation is required that government employees must provide. Any volunteer expenses or reimbursements not properly accounted for can be deemed as income subject to reporting and can create a tax consequence to the volunteer as well as the Service. Statements certified by a volunteer or a Service employee are not sufficient substantiation for expense reimbursements and do not replace actual receipts or documentation.

Actual Expenses

Volunteers may be reimbursed for incidental expenses incurred that are required and/or directly related to the operation of their service contributions. Items such as supplies and materials, special tools and equipment, safety gear, required uniforms, etc. should be purchased for the volunteer using station funds, but in some instances, it may be necessary for the volunteer to use their personal funds. In the latter, a request for reimbursement must be submitted on FWS Form 3-2373, Claim for Reimbursement for Volunteer Expenses, and all expenses must be accounted for with supporting receipts.

Substantiated incidentals should be coded to the appropriate BOC for the item(s) purchased. A word of caution, reimbursement for services (supplies, materials, special tools, etc.) should be avoided as using a service BOC (these are numbers beginning with 24**, 25** & 32**) will trigger a 1099-MISC to be issued.

Transportation

Volunteers may be reimbursed for out-of-pocket transportation expenses that are necessarily incurred in performing volunteer services. For example, mileage, bus, rail, parking fees and tolls, incurred by volunteers to and from their duty station, or for mileage incurred or using their personally owned vehicle on behalf of the Service. Unless the volunteer is under a travel authorization, volunteer expenses must be listed on FWS Form 3-2373. Substantiated transportation costs should be coded to BOC 211L – Non-Foreign Local Travel.

Mileage

Local mileage expenses incurred may be reimbursed at either the IRS standard charitable rate, currently 14 cents per mile, or for actual vehicle/mileage expense. Actual vehicle/mileage expense reimbursement requires the volunteer to show actual costs (gas and oil) incurred directly related to volunteering. Documentation when using the standard charitable rate of 14 cents per mile requires a show of dates, times, purpose, destination and miles traveled. Receipts are not required when using the charitable rate.

Actual mileage expense reimbursement requires a show of dates, times, purpose, destination, as well as, gas/oil purchase receipt(s), and the calculation of vehicle miles traveled/MPG x cost per gallon. Actual mileage expense does not include general repair and maintenance expenses, depreciation, tires or registration fees.

Travel

On occasion, volunteers will be required to travel to a temporary site (Temporary Duty Travel or TDY) to conduct official business/volunteer activities. When on official travel, volunteers are considered employees of the Federal Government on TDY and will be reimbursed in accordance with the Federal Travel Regulations. Accordingly, volunteers must travel a minimum of 50 miles one-way from their primary place of residence and must be away from their residence a minimum of 12 hours in a 24-hour period. A Trip- by-Trip Travel Authorization must be

approved, and upon completion of travel, a travel voucher must be processed. If the volunteer is on TDY then reimbursement for mileage is at the current government rate. Because the volunteer is under a travel authorization, this is the only exception where a volunteer can be reimbursed at the same rate as a Federal employee. Reimbursement for a volunteer on travel is processed the same as employees, through GovTrip as an invitational traveler.

Mobile Volunteers

For purposes of this guidance, the Service has identified several volunteer categories that fall under the term "mobile." The first is residential. A residential volunteer is a volunteer who lives on the field station for an agreed period of time, whether in a camper or RV, or utilizing volunteer housing. In lieu of free housing and amenities, the volunteer must agree to work a minimum of 20 hours per week.

The second is out-of-town. An out-of-town volunteer is a volunteer who does not permanently live near the field station but has traveled to the field station and temporarily resides near the field station. One example would be a volunteer who lives in their RV or camper at a RV park, campground, etc., and travels daily to the field station for their volunteer work.

The third is transient. As defined by the IRS, a transient volunteer is a volunteer who does not have a regular place of business, post of duty, or a home base where they permanently live. An example of a transient volunteer is one who has sold their home and lives in their RV or camper full time, and uses a post office (P0) Box to receive their mail.

It is the Service's policy that reimbursement of travel expenses incurred by mobile volunteers to get to the field station to report for volunteer work, and return home to their permanent residence at the end of their tour of volunteer work, will not be covered. The only time travel costs will be reimbursed by the Service is when the volunteer is on a Trip by Trip Travel Authorization, or if the field station does not have an official vehicle for the volunteer to use during their volunteer work hours and the volunteer has to utilize their personal vehicle to run errands, attend meetings, visit schools, etc. at the request of the field station. In this case, the volunteer will be reimbursed at the established government mileage rate.

Past practices of field stations have been to provide a mobile volunteer a living allowance (also known as a stipend) to cover daily expenses. The Service can provide volunteers with a living allowance. While a living allowance is not encouraged, it is at the discretion of the Project Leader. It is also policy of the Service that living allowances can not exceed 55 percent of local per diem. FWS Form 3-2373 must be used and payments coded to BOC 118A – Non-Federal Compensation/Awards. It is up to the field station to inform a volunteer that accepts a living allowance that these monies will generate a 1099 form at the end of the year and may cause a tax liability.

If a field station provides a volunteer with a living allowance, you may not pay mileage to/from the field station from their temporary residence, tolls, parking, etc. separately. This is included as part of the volunteer's daily living allowance. Also included as part of a volunteer's daily

living allowance, is the option of a field station to reimburse a volunteer for the rental of off-site trailer pads when advantageous to the station in accomplishing needed work of the Service.

For those volunteers that fall into the category of transient, because they do not have a permanent home and use a P.O. Box, they are not considered away from "home" overnight. P.O. Box numbers and/or states where taxes are paid are not considered "home" by the IRS for these purposes. As defined by the IRS, transient volunteers can not be reimbursed for daily mileage to/from the field station to report to work because they do not have a "home". A transient volunteer is entitled to a living expense if the field station chooses this option to reimburse their volunteers. A transient volunteer, as with residential and out-of-town volunteers, while on duty can claim mileage if using their POV vehicle to run an errand at the Service's request.

On occasion, mobile volunteers may be required to travel to a temporary site to conduct official business/volunteer activities. When on official travel (TDY) mobile volunteers are considered employees of the Federal Government when applying the Federal Travel Rules and Regulations. When on TDY, the mobile volunteer must be under a Trip-by-Trip Travel Authorization and all requirements and reimbursements apply as identified above in the travel subheading.

Mobile volunteers may be lodged in Government quarters, when not needed for paid employees, and shall not be charged rent or utility costs. Lodging must (a) be furnished on the business premises, (b) be for the convenience of the Service, and (c) the volunteer must accept lodging in order to properly perform volunteer functions/duties. When volunteers use privately owned camping or recreation vehicles on Service lands while on assignment, they will not be charged for the use of the trailer pad or hookup/utility costs.

Personal Expenses

In general, agencies may not use appropriated funds to purchase items considered personal expenses without specific authority. The Internal Revenue Code deems meals as a personal expense. However, Service funds may be used to purchase food for volunteers under certain circumstances. If the volunteer will be working in an area where access to normal sources of food supplies and/or meals is not available or reasonably accessible, Service funds can be used to purchase food for the volunteer. The meals must (a) be furnished on the premises and (b) be furnished for the convenience of the Service (i.e. for a business reason). Meal reimbursement must be accompanied with the proper receipt or documentation. Qualified food/meals are to be submitted on the FWS Form 3-2373 and coded to BOC 258A - Subsistence & Lodging.

If you have any questions regarding volunteer reimbursements, please contact Deborah Moore, National Volunteer Coordinator, at Deborah_Moore@fws.gov or Kay Robinson, Division of Financial Management, at Kay_Robinson@fws.gov.

Attachments

FWS 3-2373 - Claim for Reimbursement for Volunteer Expenses Form
FWS 3-2239 - Vendor Updating Document

References:

Gross Income	*Rev. Rul. 80-99; Rev. Rul. 67-30*
Expense Requirements	*IRS Sec.62(c) Reg. 1.62; IRS Publication 463*
Incidental Expenses	*26 CFR 1.170A-1*
Federal Travel Rules & Regulations	*26 CFR 1.170A-1; 265 FW 7; 150 FW 8*
Mileage	*IRS Publication 526*
Food	*26 CFR1.11191 & 26 USCS 119*
Travel Away from Home	*IRS Publication 526, IRS Publication 463*