

GOOD PRACTICE GUIDE FOR VOLUNTEER INVOLVING ORGANISATIONS



6a. Volunteer Travel Expenses

Thousands of volunteer-involving organisations now demonstrate good practice by reimbursing their volunteers' travel expenses. These expenses can be for journeys taken to and from the place of volunteering, and for any journeys made as part of the volunteering role, such as for transportation or driving schemes.

If you have more general questions about how to write or implement an expenses policy for your organisation, please read the Information Sheet 6. on Volunteer Expenses.

To offer a short summary, the three main principles of your volunteer expenses policy should probably be:

1. Where possible, make sure that volunteers are fully reimbursed for their costs and are not out-of-pocket after volunteering.
2. Don't give more money than your volunteers have spent. This could be regarded as a 'payment' and affect tax, state benefits or even the legal status of a volunteer.
3. Create a simple and efficient system so that expenses are quickly reimbursed and volunteers are encouraged to claim.

Driving expenses for a volunteer using their own vehicle

A standard national rate

HM Revenue and Customs sets tax-free mileage rates under the Fixed Profit Car Scheme (FPCS). This scheme allows for the reimbursement of mileage allowances without the need for either the organisation or the volunteer to keep detailed records. The scheme applies to both employees and to volunteers. They are set at a level to take into account depreciation and other running costs, as well as fuel.

HM Revenue and Customs approved mileage rates 2008-2009:

Cars and vans – 40p per mile for the first 10,000 miles, 25p per mile over 10,000.

Motorcycles – 24p per mile.

Bicycles – 20p per mile.

Reimbursing less than 40p?

An organisation can reimburse less than these rates if it chooses to. But if your organisation's budget will allow you to, we would recommend reimbursing at the full rate because they have been calculated to reflect average driving costs, and this should mean that volunteers are not out-of-pocket after volunteering for you.

Reimbursing more than 40p?

These rates are the maximum amount which a driver can be reimbursed per mile travelled without having to prove that they have not made a profit from driving. We are aware that some volunteers feel that the current maximum rate of 40p for driving a car or van is not sufficient to cover their costs, particularly since the rates haven't been revised since 2002. If any of your volunteers are concerned that they are out-of-pocket for their driving costs related to volunteering, you can suggest that they read the guidance page for volunteer drivers on the HMRC's website (see below for address).

HMRC guidance for volunteer drivers

Guidance on the HMRC's website explains that there is an alternative to accepting 40p per mile. A driver can be directly reimbursed for their individual motoring costs, but this system requires more record keeping than using the standard rate.

The driver should keep records of all their driving-related expenditure and all money reimbursed to them. They should also keep a tally of their mileage. At the end of the financial year, the driver must calculate whether they have made any profit during that year. If a profit is made and the driver has received an average of more than 40p per mile for all the mileage completed during that tax year, the driver must report it to their local tax office. Please note that this is a very simplified summary and anyone wishing to calculate their expenses in this way should read the full guidance at <http://www.hmrc.gov.uk/mileage/volunteer-drivers.htm>.

For further information, volunteers should contact their local tax office.

We appreciate that this system is complex and requires more paperwork than reimbursing at the recommended rate of 40p per mile. Volunteering England is hoping to work with the HMRC on the issue of volunteer drivers' expenses and any progress will be publicised on the website.

For other information about volunteer drivers, please refer to Volunteering England's Information Sheet on "[Volunteer Drivers](#)".

Travel cards for buses, trains, trams etc

Some volunteers use a weekly or monthly travelcard when travelling to and from their weekly volunteering commitments. If the travelcard is also used for

other personal or work reasons, it can sometimes be difficult for a volunteer co-ordinator to know how much money to reimburse to a volunteer.

For a simple solution, you could calculate:

- 1 How many days per week/month does the person use the travelcard in order to volunteer with you?
- 2 What proportion of the total cost is directly related to volunteering?

If anyone disagrees with this method, it may be helpful to explain that an expenses policy is only intended to reimburse actual out-of-pocket expenses.

Reimbursement or reward?

Sometimes people confuse reimbursement with 'reward'. They may hope or expect to receive more money than they have spent, and view this as a small personal reward for their time or work. This sentiment is only natural, especially considering that in today's society most of us associate wages or payment with working for an employer. However, in the UK it is particularly important for tax and legal reasons to reimburse volunteer expenses as accurately as possible, and to avoid rounding up or 'paying a little extra'.

Information correct as at April 08

RJA9/8/08