

GUIDANCE ON PAYMENTS TO VOLUNTEERS

We have received numerous inquiries from parishes regarding volunteers and whether they can receive any form of payment or reimbursement for expenses. Set forth below is some guidance on this topic. Please do not hesitate to contact us in the HR Department if you have any questions about the information below or any questions in general regarding personnel matters.

Especially this time of year, a parish may want to pay a volunteer "just a little something" beyond reimbursing the volunteer for their expenditures on the parish's behalf. The parish may believe that such a monetary gift is a demonstration of thanks for the loyalty the volunteer has shown to the parish: "Buy yourself something you like as a reminder of how much we appreciate you." Or the "little something" may be offered as token compensation for the countless gallons of gas and miles of wear that the volunteer put on his/her car.

A parish that finds itself in this position should find better ways to say, "Thanks, please stay," to their volunteers. The "little something" paid periodically to all volunteers may seem like a nice way to thank them for the time they so graciously give to the parish but may raise serious issues for the parish.

Paying volunteers money or anything of value that can reasonably be construed to be *in exchange for their work* is confusing and potentially dangerous to the parish, and even to the volunteers you're trying to reward. The confusion and the danger is that the law draws sharp distinctions between employees and volunteers. The precise difference is that employees get paid for their work — volunteers do not. Pay a volunteer *for his or her work* and you may have transformed the former volunteer into an employee — or at least you have created a plausible basis for that person (or perhaps someone else) to claim he or she is an employee of the parish.

So, what is the harm here? A volunteer who claims employee status can cause several significant issues for a parish. The volunteer claiming to be a paid employee may make claims for unemployment compensation benefits, health insurance benefits, life insurance benefits, pension/401(k) benefits, and protection under civil rights and/or wage and hour laws. Any of these circumstances can impose costs on a parish that are much greater than the benefits to the parish of paying its volunteers "just a little something." Fortunately, there are some effective alternatives for retaining, motivating, and thanking your parish volunteers.

In our experience, the two primary reasons a parish may be tempted to pay its volunteers are (1) to cover their expenses for their work, and (2) to motivate their continuing efforts for the parish.

Regarding the former, the most straightforward way to cover volunteers' expenses is to reimburse volunteers for particular amounts they can document having spent for the parish. Regarding the latter, those who volunteer at a parish generally do not do so for the money; if they wanted money from their volunteer efforts, they would become parish employees. Instead, most volunteers labor because they believe in a parish's mission. Beyond the mission, they may seek others' gratitude for their selfless work, opportunities to work with or lead others, or perhaps community recognition.

Therefore, to reward, motivate, and hold good volunteers, incentives such as volunteer-only social events (e.g., a recognition dinner), "outstanding volunteer(s) of the year" awards, and newspaper articles about volunteers' group achievements can be particularly effective. These rewards require some creative effort, originality, and personal attention from parish leadership, but ultimately they may mean more to the volunteers whom the leadership wishes to inspire.

