

# Expenses Your Volunteers Can Deduct

*Here's what the IRS will allow volunteers at nonprofits to deduct from their taxable income:*

**Car and transportation expenses.** Volunteers can deduct car and transportation expenses incurred to get back and forth from home to your office, or to meetings or other sites (such as a special event, or to deliver food to a homebound AIDS patient).

Volunteers who drive can choose between deducting actual gas and oil used, or else take a mileage deduction at the rate of 14 cents per mile. Given the high cost of gasoline today, most volunteers are better off keeping track of actual driving expenses. Volunteers can also add in parking fees and tolls.

However, volunteers cannot claim general car repair and maintenance expenses, depreciation, registration fees, or the costs of tires or insurance.

Those volunteers taking public transportation can deduct subway, bus, or taxi fare.

**Travel expenses.** The volunteer can deduct travel expenses, such as airfare and other transport, accommodations, and meals, when performing services away from home. This might include trips to attend a convention or board meeting, taking underprivileged kids on a camping trip, or monitoring environmental destruction.

However, there are important limitations: The volunteer cannot gain significant personal pleasure, recreation, or vacation from the travel. And the volunteer must really be working -- tagging along on an outing while performing nominal duties, or even no duties for significant parts of the trip, won't cut it.

**Other out-of-pocket expenses.** Volunteers may deduct other expenses they incur during the course of their volunteer work. For example, board members might deduct unreimbursed phone, postage, and copying charges associated with preparing for meetings. Volunteers at an animal shelter can deduct the treats that they're asked to provide in order to help train dogs during walks. Sunday school teachers can deduct art supplies they bring in.

**Uniforms.** If you ask volunteers to purchase a uniform -- for example, an apron identifying them as a hospital helper -- they can deduct both the purchase price and any upkeep costs. However, the uniform must not be suitable for everyday use (providing a T-shirt with a logo or asking your theatre ushers to always wear black won't be enough). Also, your organization must require the volunteers to wear the uniforms while performing services.

## Limits on Deductions

The following limitations apply to these deductions:

- Your organization must be a qualified, IRS-recognized charity.
- In order to take these deductions, volunteers must itemize their deductions on their tax return. (Those who fill out a 1040EZ won't get any benefit.)
- Volunteers cannot double-dip by claiming expenses for which the nonprofit already reimbursed them.
- The expenses must be directly related to the volunteers' work, and incurred only because of that work.
- The expenses can't be personal, for family, or for living items or activities (such as meals for children while they accompany the volunteer to a convention).
- Volunteers must keep reliable written records of the expenses.

**Source:** <http://www.nolo.com/legal-encyclopedia/remind-nonprofit-volunteers-tax-deductions-29659.html>