

Task Force Volunteers in NAD

Living Expense Allowance Guidelines

The following is a simplified checklist of the basic rules for the living expense allowance for long term volunteers within the United States, such as task force workers. **ALL** of the conditions must be satisfied in order for this allowance to be handled on a tax-free basis.

- A volunteer is not paid for what they do. Anyone who is paid for what they do is an employee. A person cannot be both.
- The Allowance is not wages or compensation for work done. (The word “stipend” means wages, and should not be used.) It is based strictly on need and not based on what the person does, what educational or experience qualifications they have, how many hours they work, or what responsibilities they are given.
- The allowance is intended to cover only basic and necessary living expenses (food and shelter).
- If housing is provided, the allowance is to cover only meals and incidental expenses as defined under the Federal Income Tax *per diem* rules. In most areas the maximum allowed per diem under the Federal rules is \$57/day. A few high cost areas can go as high as \$68/day. However, it is best to stay within the denominational per diem limit for employees.
- If housing ***and meals*** are provided to the volunteer the only expenses left to be covered are *incidental expenses*. This would be basically toiletries and laundry. The maximum per diem allowance for that would be no more than \$5/day.
- Just as with employees claiming travel expense per diem, the allowance is based on days actually spent working as a volunteer. It is strongly recommended that the per diem for volunteers be documented on a basis similar to that done for employees.
- The volunteer term ***must be for one year or less***. Extensions and renewals change the rules.
- The volunteer must be away from home, staying at the location where they are volunteering. They cannot be commuting from home on a daily basis. If the volunteer’s home is within reasonable commuting distance they do not qualify for the allowance.
- Actual Travel expenses may be paid or reimbursed.

Any task force worker who does not meet the requirements of these guidelines is to be considered to be and treated as an employee. These guidelines are based on a reasonable and good faith interpretation of the Federal Income Tax per diem rules applicable to employee business travel. The tax laws and maximum per diem amounts do change over time but this is current as of the date below. There is some risk that if challenged, the IRS could disagree with this interpretation and application to volunteers. These guidelines do not and cannot account for state tax and employment laws or the laws of Canada and Bermuda. Any questions in that regard should be directed to local legal counsel. Any questions about these guidelines should be directed to Tom Wetmore, Associate General Counsel at the General Conference. He can be reached at 301-680-6325 or by e-mail at wetmoret@gc.adventist.org .

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