

Non-Profit Employees & Volunteers



Florida Library Association
&

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Dolly & Homer Hand Law Library

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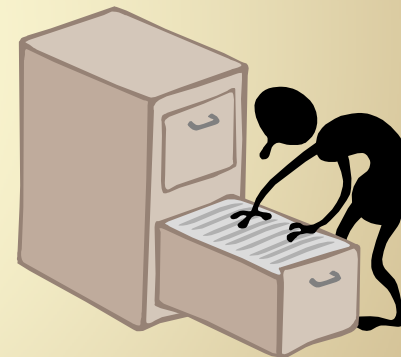
Worker Categories

- Employees
 - Conform to all federal and state employment laws and tax requirements
- Independent Contractors
 - Carefully review contracts to limit non-profit liability
- Volunteers
 - Understand potential liability & protection



Have a Plan

- What needs to be done for your non-profit?
 - Focus on mission
- What type of help can meet identified needs?
 - Executive director
 - Paid staff
 - Volunteers
- Create job descriptions for ALL positions
- Develop review/evaluation procedures



Employees

- Executive Director
 - Carries out plans & programs established by board
 - Supervises staff and employees
 - Monitors & manages finances & accounting
 - Reports about information & activities
 - Advises on policy & program issues
 - Assists board committees with fiscal & program policy development
 - Liaison between board and staff
 - Communicates with the non-profit constituency

Hiring Employees

- Have job descriptions
- Develop a review/evaluation process
- Conduct a background check for all employees
 - Can vary in depth based on responsibilities
 - Criminal check
 - Financial check
 - Reference check
- Provide orientation for new workers



Non-Profits Hiring Employees Must

- Comply with state & federal wage & hours laws
- Obtain workers' compensation insurance
 - Notify employees regarding insurance
- Comply with state & federal job safety laws
- Withhold federal income tax & FICA taxes
- Report wages & withholding on W2 forms
- Pay employer's social security & Medicare tax
- Pay federal unemployment tax
- Register with Florida New Hire Report Center
<https://newhire.state.fl.us/fl-newhire/>
- Pay state unemployment tax
http://dor.myflorida.com/dor/taxes/unemploy_comp_law.html#who

Independent Contractor or Employee

- Employees work
 - At your direction
 - At your business site
 - Using your tools
 - Following your rules & procedures
- Independent Contractors
 - Are in business for themselves
 - Work on their own time
 - Use their own tools
 - You direct the result of their work – not how it is done



Be Careful

- Tax penalties exist for mis-classifying an employee as an independent contractor
- Get basic independent contractor information
 - Business name, address, federal taxpayer ID number or social security number
- Report independent contractor payments of \$600 or more on a 1099 form
 - Send to the IRS
 - Send to the worker

Getting Volunteers

- Identify the need for volunteers
- Define expectations for volunteers
- Create volunteer job descriptions
- Screen volunteers
 - They represent the non-profit
 - Their actions can create liability for the non-profit
- Supervise volunteers

Keeping Volunteers

- Make volunteering convenient
 - Work with volunteers to set times and days
- Make volunteering fun
 - Identify volunteers' interests
 - Try to vary tasks to include these interests
- Show appreciation
 - Say thank you
 - Provide perks
 - Consider an annual event to honor volunteers



Deductible Volunteer Expenses

- Car & transportation expenses
 - Subway, bus or taxi
 - Actual gas & oil used or 14¢ a mile.
 - Cannot claim car repair, maintenance, depreciation, registration fees, cost of tires or insurance
- Unreimbursed Travel expenses
 - Cannot include significant personal pleasure, recreation or vacation – must actually be working
- Out of pocket expenses
- Required Uniforms

Volunteer Deduction Limitations

- Nonprofit must be an IRS recognized charity
- Volunteers must itemize their deductions
- Volunteers cannot double-dip
 - No deduction for reimbursed expenses
- Expenses directly related to volunteer work & incurred because of that work
- Cannot be for family of a volunteer incurred because of a volunteer's activities

Volunteers

- VPA (Volunteer Protection Act) 42 U.S.C. 14501
 - Covers all non-profit volunteers of IRS recognized charities
 - Not compensated
 - Not given anything valued at more than \$500 per year
- Florida Volunteer Protection Act - Fl St 768.1355
 - Covers all non-profit volunteers of IRS recognized charities
 - Acting in good faith
 - Official volunteer duties
 - Acting as a reasonably prudent person
 - Misconduct not wanton or willful

Other Topics in this Series

- Non-Profit Basics
- Tax Exempt Status
- Donations & Fundraising
- Non-Profit Board Members & Officers
- ~~Non-Profit Employees & volunteers~~
- Non-Profit Risk Management
- Non-Profit Income & Records
- Useful Non-Profit Resources



Remember



This presentation provides
information, not legal advice.

Always consult an attorney for legal advice.